

**COMMISSION ON THE NATIONAL GUARD  
AND RESERVES**

**HEARING ON NATIONAL GUARD  
AND RESERVE ISSUES**

**THURSDAY, JUNE 15, 2006**

*Transcript by:  
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ARNOLD PUNARO: (Sounds gavel.) The commission will come to order.

The Independent Commission on the National Guard and Reserves continues its exploration of the role of the reserve components in defending and securing the homeland. At our May hearing, we heard from senior officials in the Department of Homeland Security and Defense, National Guard and Coast Guard representatives, as well as from subject matter experts. We explored the important relationship between DHS – the Department of Homeland Security – and DOD and the extent to which both may be depending on the same military forces to accomplish their respective missions, and at times concurrently. Today we continue that focus with state governors, in attempting to further understand the complex relationships between federal, state, and local agencies and, accordingly, the role of the National Guard and Reserves in fulfilling their mission as an operational reserve as well as a defender of the homeland.

The concept of state militia forces, available to both a governor and the president in times of need, is central to our heritage as a nation. Recent call-ups for the global war on terrorism and Hurricane Katrina and their respective lessons learned provide insights into the challenges our nation faces today in giving balance to state and federal missions. In light of these challenges, we continue to ask the persistent question of whether our guard and reserve forces are presently structured and resourced to accomplish all that is expected of them both at home and abroad.

As we continue our investigation and study of, particularly, this homeland defense mission, we want to first better understand the existing balance of power – including gaps, seams, and any friction points – between the organizations at the federal, state, and local levels that come together in times of crisis. Second, we seek the governor's guidance in determining how the National Guard and Reserves can best be employed in their many roles. Finally, we welcome the governors' perspective not just on the challenges to DHS, DOD, and other agencies in performing homeland security-related missions but also, most importantly, on the obstacles impeding unity of effort between local, state, and federal officials. I also ask each of our witnesses, particularly our two governors today because of their tremendous expertise and background in these areas over a very, very long continuum, to address any broader issues in this area they feel will be of interest to the commission.

Before introducing our first witness, I'd like to note for the record that, as required by our authorizing statute, the commission submitted its 90-day organizational report 10 days ago to the Hill and to the secretary of Defense. It's a blue-bound volume and it can be found on our website. The report describes the commission's strategic plan for completing its work, including activities, operational guidelines, analytical approaches, and guiding principles. The report also presents some initial findings based on the

commission's work thus far and lists the major policy questions we will attempt to answer in the final report.

Two of our key findings are very applicable to this hearing, and with the indulgence of our witnesses, I would like to read them into the record.

Finding number one in this area: There is confusion regarding chains of command when federal, state, and local authorities respond to domestic disasters, as Hurricane Katrina and other recent emergencies have demonstrated. And the second finding, that the Defense Department's and other federal agencies' engagement with governors on decisions that affect National Guard and Reserve personnel, equipment, funding, and operations should be strengthened. And these are two finding that are promulgated on the record as a result of our initial 90 days of looking at this issue.

Our first witness for this morning's hearing is Governor Ruth Ann Minner of Delaware, a lead governor on homeland security for the National Governors Association. Governor Michael F. Easley of North Carolina, a lead governor for National Governors Association on National Guard issues, will be joining us later. We thank the governor for being here today and obviously for your dedicated service to your state and the nation. The commission continues to work closely with the National Governors Association on a non-partisan basis. The NGA has been extremely helpful and cooperative and we will continue to work very closely with them.

We had a number of the commissioners – we had an opportunity to meet with Governor Easley's counterpart on the National Guard for the NGA, Governor Dirk Kempthorne, before he took his position now as secretary of the Interior, and he was extremely helpful, and would have been one of the participants in the hearing this morning had he not been called to a higher duty – well, I don't know; I don't know if we'd say it was a higher – governors would say it's a higher duty to come to Washington, but let's just say he's now servicing the in president's Cabinet as the secretary of the Interior. We have also written individually to each and every one of our governors and posed to them a whole series of questions and asked for their input, and we have actually heard back directly from a number of them.

So, Governor Minner, we very much appreciate the demands on your schedule and your willingness to assist the commission. And without objection, your entire prepared statement will be placed in the record, and we're open to hear from whatever remarks you would like to give us today. So, thank you again for being here.

GOVERNOR RUTH ANN MINNER: Thank you, Mr. Chairman, and good morning. Good morning, members. I do appreciate the opportunity to discuss the role of the Delaware National Guard in the 21<sup>st</sup> century and request that my written statement be added to your record because I think it is important. I applaud the work the commission is doing and I thank you for the opportunity to share my views with some of the things that we do working with the National Guard.

If you think of our Delaware National Guard and our Reserves that are tasked, organized, trained, equipped, compensated and supported to meet the challenges both home and abroad, this morning I will provide my view of the roles of the Delaware National Guard and the recommendations to meet your goals.

I've lived the National Guard story. I've seen the National Guard in Delaware grow from the weeknight meetings that my husband went to as a guardsmen at the Milford Armory to today's Air and Army National Guard that is serving throughout the world. The National Guard is truly a success story in all that they do.

I could tell you many stories of how the Guard has responded to emergencies in Delaware – and I've called them. But today I want to stress that all emergencies are local; we're the ones that have to respond. And, yes, they're best managed at the local level. For example, I'm very proud of our Delaware Air and Army Guard who were on the ground to assist fellow Americans in less than 24 hours after the governors of Mississippi and Louisiana requested help. Homeland security is a mission that the National Guard does well, and they should do it. However, homeland security should not be the National Guard's only mission. Air and Army Guards and their personnel are critical to the ability of the nation to fight and to win America's wars.

When my guard personnel were mobilized for Desert Storm, and since the September 11<sup>th</sup> issue, the citizens of Delaware have taken more notice of the National Guard and their role. The Delaware National Guard is a bridge between the citizens of Delaware and the armed forces. The Guard remains the most cost-effective solution for a military response to homeland security, and as the operational reserve of the Army and the Air Force. In my view, if the National Guard did not exist, this commission would probably recommend that we do a guard.

The relationship between the governors and the Department of Defense is a critical factor included in your study. There is no doubt that the state-federal role of the National Guard is a partnership with shared responsibilities. As a governor and a commander-in-chief, I urge this commission to adopt recommendations that clarify the Department of Defense's responsibility to consult with the governors about the major issues impacting the states' National Guard.

Last July, I testified before the BRAC Commission and stressed my concern that I was not even consulted about the recommendations to close my only flying unit. If the Air Force had consulted me they would have learned the key role that the Air National Guard plays in Delaware's homeland security plans. I'm pleased that the BRAC Commission rejected the recommendation; however, I continue to be concerned about the lack of inclusion governors and adjutant generals have in the defense decisions and that decision making process.

As recent as last spring, I was disappointed again by the Department of Defense' lack of consultation. This time the DOD left out governors while formulating two critical policy and budget documents: the Quadrennial Defense Review and the fiscal year 2007

budget. The personnel costs and cuts raised serious concerns about the lack of DOD consultation with governors and with the National Guard Bureau. This concern is widely held as evidenced by the 52 governors sending a letter to the president voicing their opposition to force reductions and requesting that DOD work with the governors to reequip our returning troops.

The concern is also shown through the introduction of the National Defense Enhancement and National Guard Empowerment Act, which I support. The National Guard must have a stronger voice to increase its ability to secure the essential equipment and to identify and fill the gaps between the state and the federal emergency response capabilities. I've urged Delaware's Congressional Delegation to support the passage of this legislation.

My final comments are about the men and women who serve voluntarily in the National Guard. Over the past few months you've heard testimony about the rising personnel costs, the challenge that all the governors face as well as CEOs of their state. National Guard members and their families need benefits, regardless of the mobilization status – medical, dental. Readiness transcends all of the components of the training and the equipping and the force. Keeping our Guard personnel and their families healthy improves readiness and retention, and I think we need to concentrate on that retention as well.

The 2006 National Defense Authorization Act offers TriCare options on a cost-share basis for reserve members. I respectfully ask this commission to recommend to the Congress that they fund this benefit. I believe we should assist employers who are supporting the Guard and the Reserve personnel. In Delaware, I signed legislation that makes up the gaps between the civilian pay and the active duty pay for my state employees who are mobilized. I feel it's important, not just for the individual who's mobilized, but for their family and their family's piece of mind, and of course then the member's piece of mind as well. As a small business owner, I urge this commission to examine relief for business such as tax credits and federal measures to address the pay gaps for activated guard and reservists.

In closing, I again thank you for service and for the opportunity to appear before the commission. I kept my remarks short, perhaps, but I did that so I would have the opportunity to answer questions and to listen to advice that you might have.

MR. PUNARO: Great. Thank you very much for a very powerful piece of testimony, and very helpful.

I would like to start by maybe talking a little bit about and getting your advice to the commission on – as you said, all emergencies are local. The on-scene commander is going to be having to deal with it. We've talked about this in our previous hearings, is great organizations we have in our active duty military, the 82<sup>nd</sup> Airbornes in North Carolina and the 1st Marine Divisions in Camp Pendleton, California, they're not going to be in Delaware if one of your tremendous industries – I was very impressed in your

prepared testimony, your concern about your infrastructure and some of your cutting-edge industries, but that also could be potential targets because of the implications, the hazards, that would be created if somebody that was looking to cause – wreak havoc would do. You're going to have to deal with it on an immediate response basis and you're going to have the assets that you have available to you in your state.

And considering all that – and I think that premise is well accepted. That's not, I don't think, a controversial premise. I think our Department of Defense acknowledges that, and in fact the Federal Emergency Response Plan is set up to basically rely on the local authorities to deal with the immediacy of the issue. With that in mind, what gaps in capabilities and resources do you see in your own state, and then what are the gaps and capabilities that you hear about from your fellow governors and that the National Governors Association is concerned about? Because one of our requirements in the commission is to look to the future and make recommendations about, perhaps, changes in structure and organization and command and control and things of that nature. So what are the gaps that concern you and concern that National Governors Association?

GOV. MINNER: There are many; there is no question about that. When we talk infrastructure, we automatically think of bridges. We have the C&D Canal in Delaware, which separates our state, something that was done by the federal government when the canal was dug. There are three bridges over that canal. Take out three bridges and we cannot move north and south in Delaware, nor can our ground troops, and so it's a very severe problem for us. Railroads, railroad bridges – we have a railroad bridge that goes over that canal as well. Take out the railroad bridge and we have no rail traffic from the northern part going south into Delaware. The Delmarva Peninsula is practically cut off if we lose that railroad bridge, and so that's important.

Think of something like the Delaware Memorial Bridge, which connects Delaware, if you will, to the whole Northeast, everything north of us, and the traffic that travels through Delaware. Take that bridge out and you shut traffic down on the north/south I-95. And there's no way that you can get across. You have to either go around or go further south of New Jersey to Delaware's – Delaware ferry. And so all of the parts of the infrastructure are important, and I haven't even talked about things like communications and our electricity, which is important – there is no question about that – and other things that – take out one of those facilities and you take out a whole area.

The other thing that most of our governors are concerned about, of course, are the nuclear plants. We do not have a nuclear plant in Delaware; however, I kiddingly say even I could stand on the banks of the Delaware River and shoot across to New Jersey and hit the nuclear plant. So we don't have a plant but we have an impact. We do have now – we didn't have before – we do have now some input because they changed that law to say the states that have or are impacted by, and so that helps us some by way of that. But there is no guard unit on our side of the river and people could simply put a small boat over and cross to the other side and there were no security measures on the river side of that facility. We do have some now, not as many as I would like to see. We

have some sirens. We have the capability to move people in Delaware if all of our bridges are working.

I think if you talk to the governor of every state, there are unique situations, much like mine, in each state in some area, and it does make a difference. We use the Delaware National Guard. We used them when we had the problem and were worried about the Port of Wilmington, and we made sure that they were ready if we needed them. But we needed them for other things as well: a severe snowstorm, to help us by way of moving people. If someone needs to go to a hospital or to shelter, they're there when we need them.

There was a very severe fire in my hometown. It actually burned down one side of Main Street, all of the stores that were there. We had alerted the Delaware National Guard just in case we would need them. Thank God it was my hometown and we didn't have any rioting or other problems, but it very well could have been very serious had that fire had jumped the street and continued burning the downtown business district. I also had two state office buildings there that I was quite concerned about, and so we wanted to make sure because they are facilities that are part of a Delaware Health and Social Services. There were some things there by way of records that had to be secured, but also medications and other things.

And having them – knowing they're there if I need them is so important, and they are always ready and they always respond. It is a great peace of mind for a governor to know that you have them and that they are there when you need them. However, as we see the reduction in equipment, it's making it even more difficult and I worry a little more about their being able to respond in total as quickly as we need them. They've always been there, but they've had the equipment in the past. As we've seen people deployed and our equipment is deployed, it has made it more difficult for us because we do not get it back.

That might be a long answer to what was a short question but –

MR. PUNARO: No, that's very helpful. And what I'm going to do in my round, because I have another question that I want to ask you, I'm going to come back and try to parse through that and see if we can – maybe you can be thinking about it as you answer a lot of other questions – zero in on the key pieces in terms of, okay, information and threat warning, you know, are there, and then you – it's a personnel issue it sounds like, it is equipment it sounds like, and it's also an operational procedures issues, sort of working out how you would work with state and federal.

So I'm going to come back on that because the next thing I'd like to get you to talk about would be – you made a very powerful set of arguments about the kind of consultations that would have been helpful. And, you know, we've all been around a long time and we know kind of how – and I've worked many years on Capitol Hill, as did many of the people on the commission, but we also have people that served in senior positions in the White House and the executive branch, and we know about information

sharing and consultation from a wide variety. So it's not just a Department of Defense issue; it's kind of a governmental issue writ large in just about any, you know, between state and federal.

But what could the department do on a practical basis knowing that it would be hard to set up a system where they could call all 50 governors and say, hey, we're thinking about this, but from your perspective, what could the department do – and that's one of our findings, that this whole consultative relationship needs to be strengthened – perhaps it needs to be strengthened through statute, perhaps it needs to be strengthened through procedures – but what could be done on a practical basis to improve the way the senior leaders in the Department of Defense consult with the governors on matters that really do affect their role as – legitimate role as commander-in-chief in their own states, responsible under the Federal Response Plan for the immediate response to disasters that not only could affect their state but could affect commerce.

Like you said, I can't tell you how many times I've driven over the Delaware Memorial Bridge heading north, and if that artery was cut off it would have a very serious and adverse impact on commerce all up and down the East Coast. So, you have a responsibility that just doesn't affect your state; you're acting on behalf of the federal government.

But from practical standpoint – you're a governor so you're a practical person, you're a businesswoman – what could the department do to improve that?

GOV. MINNER: Well, like most places, we have committees of the National Governors Association. It might be difficult to call 50 governors; however, we already have the hookup, and so they could put us all on the phone at one time through a conference call. It isn't like they have to dial each number separately. We also have a committee that works with the National Guard. If they wanted to have us submit our comments to them and then just meet with the committee to discuss it. We have tried in any number of ways – I personally feel I know some of the people in Washington through my TAG and he's introduced to many of them and I feel comfortable calling them.

We're close, you know, an hour and three-quarters. I'm in Washington. Is it really that urgent they make a decision that they couldn't call and have some of us here, even overnight? People could come from anywhere that needed to meet with them, and we're quite willing to do that. Our National Guard is so important to our states that we feel we have to be a part of the decisions. What do I do if I call General Vavala and he tells me, well, I'm sorry, I can't do that because – and it is – you know, when I call them, there is no question; they responded. That's it. I think sometimes he must issue the order to respond while I'm still talking to him, it happens that quickly.

MR. PUNARO: I understand.

I'm over my time but let me just get one more thought on that, is has the National Governors Association as a body actually put forth any kind of proposal to the



Department of Defense on how to improve the coordination and collaboration, or has it been mostly just informal give and take? Do you know?

GOV. MINNER: I would think more informal give and take; however, we have met with General Blum and some of this people and discussed it in detail, and he's been before the members of the National Governors Association twice to speak to us about the things that need to be done. But we would be very happy to sit down with whomever to make sure that we understand what their demands are so that we can arrange ourselves to meet with them and have input on any of the decisions.

MR. PUNARO: Great, and I'm sure the – we'll get that back to the folks from the Defense Department that are here in the hearing today, because I know, it's interesting – when I talk to the senior officials in the Pentagon, they say we would love to have a better working relationship and collaboration with the governors, so maybe we could help facilitate some kind of mechanism to do that.

GOV. MINNER: Absolutely. And let me just say to you, through the National Governors Association I get daily reports of what's happening on the Hill. I mean, they come to my office every day. And so if it's something with an appropriation bill, we know what's being done. But we can't do that with the Department of Defense?

MR. PUNARO: I understand.

Okay, our next questioner is Commissioner Don Stockton.

DON STOCKTON: Good morning, Governor.

GOV. MINNER: Good morning.

MR. STOCKTON: Thank you so much for all that you do and for being here today to impart information to us that we need. I'm going to focus for a few moments on personnel and compensation issues. Studies show that nearly a third of the men and women surveyed indicate that they leave the National Guard and Reserves due to employment conflict. We know how important it is to have appropriate employer support for our reserve component personnel. You've already mentioned a couple a things in your report here; I see some specific couple of things that you've mentioned. But as a governor with concerns for business and employers in your state, as well as for the airmen and the soldiers in your guard units, how do you feel about finding a way to – as some organization have proposed – that employers be more aware of and even involved in the process of identifying and mobilizing guardsmen and reservists for active duty requirements?

GOV. MINNER: Well, it's certainly difficult for a small business when they lose someone. But let me just for a moment talk about my experience with losing Delaware state police officers and our Delaware correction officers, two of the most essential – you know, they're good American citizens. They want to serve in the Guard; they want to do

their part. But when you take 25 of my prison guards one day, I've got a shortage in my prison where I need security. And so the fact that we don't – businesses don't know ahead of time makes a difference, and so we've sort of alerted all businesses: Be prepared; our guardsmen may be called at any time. We've done things in Delaware to compensate. I now have the power to use retired correctional officers if it's that kind of an emergency. Those are the kinds of things that the states are looking at that we're doing.

Businesses don't have the opportunity to do that and it impacts them financially. If someone goes to guards and they're mobilized, they aren't there, they can't hire someone to replace them because we demand that they keep that job opening. But if they're a small business with 10 or 12 people, it creates a real problem. If they hire someone, create another job if you will, then when the guardsman comes back, they lay them off, that means their unemployment insurance goes up and all the costs go up. And so we don't just look at them as the employer who says yes.

And I'm happy in Delaware; our employers are proud of our National Guard and I haven't had any of them complain to me that people have been deployed. What they do complain about is the void it leaves for them and the stress it then puts on their other employees. So we've tried to compensate employers as best we can. We can't do something that's in exact opposition to the law because the things that we have to do – because we do have mandatory workmen's comp and all of the other things. But it's a problem for the small employers as well as the large employers.

MR. STOCKTON: Of course, especially those unforeseeable events that come up.

There is a current planning metric for future Army Guard activations so that the members can expect to know when they're going to be mobilized. And one of the things also is that they're planning for a possible one-in-six utilization of those people. Do you feel this type of OPTEMPO will allow guardsmen to complete desirable civilian careers, and will the employers with this type of commitment be desirable in the civilian workplace? I'm sorry, will the employees with this type of commitment be desirable in the civilian workplace?

GOV. MINNER: Well, it would give both the employee and the employer the opportunity to prepare for it, where now they don't always have that. As I said, we're blessed in Delaware; our employers work with the Guard and we don't get those terrible complaints. Although, quite often, you know – just speaking from the state's standpoint, we lost teachers. You know, the classroom is still there; you've got to provide a teacher the next day, you know. They have maybe a week to 10 days' notice. We have requirements in Delaware by way of having background checks and other things that take time. You can't do that in that short length of time. So, having a longer time to prepare would help the employers a great deal.

MR. STOCKTON: Does your state have specific tax incentive things that would also incentivize employers to employ reserve components personnel?

GOV. MINNER: We have not done the total tax incentive package; however, it's one of the things that's under consideration now.

MR. STOCKTON: Good. You mentioned healthcare issues as being important to recruiting and retention, and you're certainly knowledgeable of that. According to the assistant secretary of Defense for Reserve Affairs, there's over a 120 – and of course these are national legislative changes that have been passed over the last two years that are affecting the reserve components. And of course one of the goals is to come up – is to achieve a fairness in the differences between compensation and other benefits for reserve and active component personnel. What are the primary benefit issues that you feel that your national guardsmen are concerned about, besides the healthcare or anything else in that regard?

GOV. MINNER: Healthcare, dental care, benefits for their families – that's their major concern at this point. Some of the employers who know their people are going to be gone for six months or a year, they're not going to hire someone to replace, will not continue health insurance benefits and that makes it very difficult. We actually, under Delaware law, continue to cover every one of our own state employees.

But some of the smaller businesses don't have insurance anyway. They offer a plan where the employee can pay in and get full insurance. But, you know, it's part of the peace of mind. Someone who's leaving their family behind, knowing that there's insurance to cover them if they get sick, knowing that they have the kind of healthcare they need, dental care they need, it's so important to the guardsmen.

MR. STOCKTON: I've seen, in fact I have in front of me, a matrix of various state benefits now that are applicable to a reserve components personnel. And your state looks great across the board with all the different various kinds of benefits, according to the matrix which was prepared by the National Guard Association and the DOD.

Is the National Guard Association looking at a framework to identify a core group of best practices that would in turn be recommended to all states and territories for future consideration and possible implementation?

GOV. MINNER: I do not serve on the National Governors Association committee for National Guard. I do with homeland security however, and it is one of the recommendations that we have looked at in homeland security. We as states can only do so much, and for those who are mine, my state employees, I know I can take care of them through their regular health insurance. But all employers cannot do that. It is something that needs to be looked at, but cost factors in many cases make it very difficult.

MR. STOCKTON: Thank you, Governor. That's all of my questions.

MR. PUNARO: Thank you. Our next questioner is Commissioner Dan McKinnon.

DAN MCKINNON: Governor, it's good to see you here. You certainly have an impressive resume of service to the state of Delaware.

I want to talk a little bit about training and equipping and readiness. And I think it would be helpful if we had a little bit of understanding for you about what the equipment situation is with your National Guard units there in Delaware.

GOV. MINNER: When they were deployed, their equipment went with them. When they came back, the equipment didn't come back with them. And therefore, in every one of the deployments and every one of the different units, we have now less equipment than we did.

MR. MCKINNON: Okay. What kind of equipment have you lost?

GOV. MINNER: I would almost say any equipment that they need, whether it's communications or trucks and other kind of equipment, you know. When they leave, the unit takes with them their equipment.

MR. MCKINNON: You're saying they're coming back with nothing? Is that correct?

GOV. MINNER: For the most part, yes, I would say that.

MR. MCKINNON: Have you communicated that to the DOD, that you want replacement equipment?

GOV. MINNER: Yes, many times. It has been –

MR. MCKINNON: And what do they tell you?

GOV. MINNER: Well, we've gotten all sorts of stories about supplementals that are going to be coming through that would buy equipment and that we would get; however, those supplementals either don't pass, or if they do pass we haven't seen the equipment that we should be getting from that money.

MR. MCKINNON: How does that affect your readiness statewide if you have problems in terms of –

GOV. MINNER: Not really because, you know, we're a small state and our units can share equipment or go from one place to another very quickly. It's amazing that they stay as well prepared as they do with some of the equipment they have to train on.

MR. MCKINNON: Okay. I guess it's a tough thing as governor to be asking for the DOD to give you equipment and then not be able to get it. How about on training? Generally speaking, it's thought of a guard unit having it two weeks in the summer and one weekend a month as it goes through training. You think the training is adequate this that amount of time or should it be increased in this environment today?

GOV. MINNER: Well, the duties they're expected to perform today are much different than they were in the past; however, the training is still the same as it was in the past. And I think basically, you know, they step up their training to meet the demands they – you know, it is amazing. They're really volunteers in a sense and they give their all for not just their country, their state, on local issues, and our hometowns wherever they are. And they don't just do it in uniform; they do it as citizens of their communities as well.

Their training is so important, though, making sure they have the proper equipment. And at this point I don't feel that my troops have what they really need.

MR. MCKINNON: In the way of equipment obviously, and in the way of training, you feel the same way? How about the BRAC program? How did that affect Delaware?

GOV. MINNER: Well, BRAC had – they had recommended that all of our C-130s be moved to other locations; that is, our Air National Guard. However, they told us they left us the Air National Guard, but I don't know what an Air National Guard would have done with no planes. And so when we made that argument to the BRAC Commission they did change that and we did keep our planes and they're still training and using them.

They were in Louisiana within 24 hours of the storm down there, prepared to help. They sent our police units, if you will. The people who were activated were volunteers, if you will. They said, I will go; I want to help. And it was so important. Had we had not had the Air National Guard, how would they have gotten there?

It is so important that we have that in our region, whether it's the generators that they moved for us when we had a power outage for 14 days and two hospitals were involved in it, or if it is something that happens militarily that they need to have the equipment, and, B, move from one place to another.

MR. MCKINNON: As you mentioned a little bit ago about first-responder type people in the Guard, do you think there ought to be limits on the number of first-responder type personnel in the Guard? Should there be a cap on that?

GOV. MINNER: No. I think that would probably terrorize most of our governors if they thought they didn't have them to call on. We have our local fire service in Delaware. They are true volunteers. We only have one paid fire company in the entire state. And when we have a severe problem, you know, the National Guard pitch in and

help, whether it's helping with the – working with the firemen or if it's helping to direct traffic or to keep traffic away from a place, we can all on them for anything that we need. It makes a difference for us. We never have a lack of the number of firemen in the company; however, employers, again, have a problem with letting them leave. We share the equipment, we share between the companies responding, but it's always nice to know if something happens you've got that other force who are trained and prepared and ready to help.

MR. MCKINNON: Okay. But I'm just wondering, you know, when you have a small state like you have with probably few people compared to a lot of the big states – if you put the first responders in the Guard, now they respond to the emergency but then they're robbed away from some other area that you have to supplement somehow. I'm just wondering on smaller states if there's a limit on first responders in the Guard or do you track that at all with your Guard?

GOV. MINNER: No. No.

MR. MCKINNON: What about –

GOV. MINNER: They probably could tell you exactly they have though, because they know in detail what every one of our guardsmen are capable of doing and they cross train so that they can help each other within the units as well as within the community if we need them.

MR. MCKINNON: There's talk about extending the length of time of service on active duty for the guardsmen. Do you think that's going to have any impact in your state on recruitment of personnel to join the Guard?

GOV. MINNER: We haven't seen a real downturn in the numbers, like some states have had drastic reduction in people enlisting. We offer benefits for those people by way of education and other things that makes it an interesting way of getting your college degree. If you work through the National Guard it is free. And so we haven't had as much – and I probably should be turning around and looking at my adjutant general as I say this, but it does not appear that we've had as much trouble with not being able to recruit as others. Delawareans are a very proud people. We are the first state, we started this nation, and we want to do our part to make sure our nation stays strong.

MR. MCKINNON: We really appreciate you being here today. Thank you.

GOV. MINNER: Thank you.

MR. PUNARO: Thank you, Dan. Our next questioner is Commissioner Rhett Dawson.

RHETT DAWSON: Governor, it's a privilege to have you before us and to hear from you today. I wanted to do a couple of things. In my second half of what I would

like to get at is to get at your role on homeland security. But before I do that, let me, if I may, follow up on something the chairman touched on in the federal state consultation role. You mentioned BRAC and the force structure events, to put it politely, as being of real concern to you in requiring or demanding either a mechanism or a reaching out for greater consultation. My question actually has to do with have there been other instances in the past where this has occurred? What I'm asking is, is this a pattern of how you are not consulted or brought into key questions?

GOV. MINNER: Much to our dismay, it definitely is.

MR. DAWSON: Could you, either for the record or now, give me instances where that might have occurred?

GOV. MINNER: I have been in state politics as an elected official for 32 years.

MR. DAWSON: Thirty-two.

GOV. MINNER: Yes.

MR. DAWSON: That's almost as amazing an example of having that all-volunteer fire department.

GOV. MINNER: Well, sometimes you feel that way. That's for sure. But in that time I have worked closely with governors. I worked for a governor before I became an elected official. I don't remember any of us ever having that opportunity before the decision was made to share any information with the Department of Defense. In my six years as governor, because I was elected in 2000, I have not had any contact from them except through the BRAC Commission.

MR. DAWSON: So you would describe the problem as chronic.

GOV. MINNER: Yes.

MR. DAWSON: The way you answered the chairman, though, you seem to be suggesting that you wanted a less formal mechanism, that you really didn't conceive of a structural change that had to be in place to try to fix this problem.

GOV. MINNER: No.

MR. DAWSON: Did I understand you correctly?

GOV. MINNER: We would love for it to be formal but in – they're saying they don't have the time quite often to do a formal meeting with the 50 governors or make that phone call or whatever. We'll take it however we get it, whether it is through a commission that we establish with governors on it to work with them, our committee to work with them, or if it is through conference calls or whatever. A formal – oh my

goodness, if we could get that it would be terrific, but from what we've heard from them it's almost impossible and so we're willing to accept whatever we can get.

If something happens with a committee of the Governors Association in the morning, they can send me that in the afternoon. We can respond. And so if any of the 50 governors wanted different input than what a committee was offering – a committee of the Governors Association – we could get that to them. We can do that very quickly and very easily.

MR. DAWSON: I'm not trying to defend the feds here, but I am trying to understand better – trying to put myself in their shoes when it's right to consult and when it's not necessary to consult. Can you shed any light on the circumstances under which you think consultation is compelled?

GOV. MINNER: Well, it's certainly difficult for them to know what equipment we need. If they haven't been and seen the equipment they were operating and what we're working with, it's very difficult for them to say how much money we need if they haven't seen our state. Every state is different. We are very fortunate in Delaware. We're a small state; we actually are the 49<sup>th</sup>-largest state. So we have an opportunity to work and to share equipment from, you know, one unit to the next unit, where other states, because of transportation time and the problems, cannot do that. And so we're fortunate that we're small and we can share – (audio break, tape change). We try to keep it in as good of shape as we can for the limited amount we have, and so you ask how many trucks we have operational, we can tell you. Are we happy that we've got a truck that's as old as some of our trucks are? No. But they don't know that. A simple inventory from us will give them that information. You, know, we don't get that opportunity.

MR. DAWSON: Okay. Well, at some point I'd like to understand why they wouldn't get a readiness report on a routine basis of the state of the National Guard in Delaware, but I want to move on to your role –

GOV. MINNER: I think that's more with the men than it is with the equipment, by way of our readiness force: how many people do you have more than what equipment, how old is it, that sort of thing.

MR. DAWSON: Okay.

GOV. MINNER: And I probably should turn, at least this time, to my TAG and ask him if that isn't the correct information. (Confers off mike.) And he's telling me that I was correct. I thought that I was and I was. But, you know, really, constitutionally, if you think about it, as the commander and chief of my state, when someone calls me and says, are the active National Guard going to be returned, or, are we going to send more, I have to say, jeez I don't know. That decision is made by the Department of Defense, not by me, and they don't consult me. Now I've given my citizens a bit of – something to worry about in saying, but you're in charge, you're in command, and you don't know?



MR. DAWSON: Going back to the federal-state relations just for one brief second, and trying to understand better the need for mechanisms, have there been instances where it has worked, where the consultation has been a good example that might point us towards possible solutions?

GOV. MINNER: I would probably say General Blum came to our state, talked to our leadership in the Delaware National Guard, told them where they're headed, what we're going to be doing in the future. Had that had held true, it would have been very good. However, it wasn't because we had incidents like the war and 9/11 and all the other things. And you understand that. When there are emergencies things have to be treated differently.

MR. DAWSON: Right. Now let me turn to your – you said you were on the Committee on Homeland Security –

GOV. MINNER: Yes, sir.

MR. DAWSON: – of the National Governor's Association. And we've talked about the relationship between the Guard and the Department of Defense and the state of Delaware. Tell me about how the relationship works between the Department of Homeland Security and the state of Delaware and the National Guard and what your experiences there might be.

GOV. MINNER: When we started to do our recent Homeland Security plan but also our emergency response plan, we included the Delaware National Guard on the planning committee. They sit in every one of the meetings; they have access to all of the information at planning and emergency preparedness. And so they know what we're doing; they are a part of developing the plan. And it has made it so convenient for us because we react with one strength, whether it's our local firemen or our local police department, the Delaware National Guard, or our Delaware State Police. We're all on the same page; we use the same plan. And it has made a huge difference. They've always worked together. They haven't always planned together and they haven't always trained together. Tabletop training with the Delaware National Guard, along with our local volunteers and community leaders, has made a big difference for us in Delaware.

MR. DAWSON: And, specifically, in those planning meetings, elements of the Department of Homeland Security such the Coast Guard and FEMA are in those meetings, helping you plan jointly and integrated into that plan?

GOV. MINNER: The states have to do their plan and submit it for approval. And they then review it, and if there are parts of it they don't like they send them back for us to re-do. We have tried to include as many people as we can in our planning process so that we don't have to worry about that being turned back. And I'm blessed, again, with an outstanding department that we call DEMA, our Delaware emergency preparedness,

and working with our state/fire/school, which is the best in the country, and our firemen – we do have – we submitted our plan and it was approved by all of those groups.

The Coast Guard was concerned that we don't have the vessels to do some of the things that need to be done in the Delaware Bay, in the Delaware River, as well as our inland waterways just off the Atlantic Ocean. And we have, this year, purchased a ship that would meet those requirements. We've also beefed up our marine police so that they're better prepared, and they, too, are a part of what we do with planning.

MR. DAWSON: Which leads me to my last question. You're a coastal state and yet you have no National Guard – Navy National Guard. You may be one of the states, I don't know, that has a naval militia. Is there something that I'm missing there, that there ought to be a Navy National Guard in a coastal-state environment that would augment what the Coast Guard does and work with them?

GOV. MINNER: Let me explain to you something that happened where I was very upset with the Homeland Security people and had several meetings with them, and we worked on it. The Delaware River, the Chesapeake Bay, side by side if you will, with just a little bit of land between them – in Delaware they cut the canal through to the Chesapeake Bay from the Delaware River, the Delaware Bay. They put Coast Guards off the Chesapeake Bay so that they would protect the Port of Baltimore. From Delaware Bay, you can go straight up and go across, and ships do it every week, to the Port of Baltimore. But they offered us no protection at all, saying it wasn't as important as the Baltimore Harbor. However, if you continue up the Delaware River, there are ports all along there, and there are six oil refineries just north of Delaware. We have one, but there are six others north of us.

We complained, and, in fact, the gentleman who came to my office to meet with me did not know we had a port in Delaware. We have the Port of Wilmington, which is a very active port. We actually have more fruit coming in and fruit juice coming in to our port of Wilmington than any other port on the East Coast. And he asked me what the Delaware Canal was. You know, when we as governors are worried about our state and our people and what's there, we get people who don't understand us at all. But they're the ones who are making the decisions without consulting me.

After he went back I will tell you that we got changes. We got some protection on the New Jersey side of the river around our nuclear plant over there. And they did give us some protection. And they went and inspected the port of Wilmington so that they would know what was there, and then turned around and requested that I put guards there. And so we do have guards there now. But my problem is they make these decisions not knowing my state, not knowing my needs, without even asking.

MR. DAWSON: Thank you. My time has expired.

MR. PUNARO: Commissioner Stanton Thompson.

MR. THOMPSON: Governor, how are you this morning?

GOV. MINNER: I'm fine, thank you.

MR. THOMPSON: Good. I'm going to continue the line of questioning that Commissioner Dawson did in homeland security. And, as I understand it, you are the commander in chief of your National Guard when they are called out by you under state status, am I correct?

GOV. MINNER: I'm the commander in chief all of the time but especially when we're called out for something in state status.

MR. THOMPSON: Then, if – Title 32 support for this event, you remain in control of your guard. But then if Title 10 forces come in to help, or regular Army, Navy, or the reserve component of those services, they stay under control of their respective command structures, which causes, I guess, a requirement for coordination and brotherly and sisterly love and all that kind of stuff. All right. My question is, it's been proposed to us that governors be given control of Title 10 forces, should they come within their state to provide homeland security or defense support of civilian authorities. Would you favor such a proposal?

GOV. MINNER: We've thought about that, and the reason I would say yes is because I know my state. I know what needs to be protected. We've already set aside maps and plans for this chemical plant or for, you know, this school. You send me those forces – and we need them – but they don't know where things are that I need to protect. A map and dispatch and, yes, they can do it very quickly. But we know.

MR. THOMPSON: So you would be in favor of –

GOV. MINNER: Absolutely.

MR. THOMPSON: – that proposal. Also, we had Admiral Keating before us in one of our hearings, who is the commander of the U.S. Northern Command and the designated combatant commander for homeland defense and defense support of civilian authorities. And, if I am – do you have – has your TAG or your National Guard organization had any contact with Northern Command? What visible support do you receive from them, if any, from U.S. Northern Command?

GOV. MINNER: Limited. (Chuckles.) (Confers off mike.) It is limited, and I was just making sure of that from my adjutant general. However, they have told us that they have no problem with those forces coming under our command if we are prepared, and we are.

MR. THOMPSON: And then General Blum has told us that he has organized Joint Force headquarters states. Is there one in Delaware? Is there a Joint Force?

GOV. MINNER: Yes.

MR. THOMPSON: And is it – so it's formed.

GOV. MINNER: Yes.

MR. THOMPSON: Is it operationally ready at this point to command forces coming in from all parts of the country?

GOV. MINNER: I'm going to say, yes, we're ready. Because of all the extra work my team has done, we are definitely ready.

MR. THOMPSON: And I wanted to – again, Commissioner Dawson asked the question, but I want to make sure, because I'm not sure I got a yes or a no answer. Are you in favor or not of the formation of either a maritime militia organization within the states or a national maritime guard of some sort? Because the National Guard functions within two basic domains – land and air – not in the maritime arena, and we've been advised by a panel of subject matter experts, actually, and unanimously, in one hearing, that such organizations should be created.

GOV. MINNER: If they are within our control so that we can use them when we need them, yes.

MR. THOMPSON: Okay.

Mr. Chairman, that's my questions.

MR. PUNARO: Thank you.

Commissioner Larry Eckles.

LARRY ECKLES: Good morning, Governor. Thank you for spending your very valuable time with the commission today. As you know, reserve mobilization following 9/11 has been the largest since the Korean War. Well over 500,000 National Guardsmen and Reserves have been activated for operations Noble Eagle, Enduring Freedom, and Iraqi Freedom. The mobilizations have been tremendously successful but have not been without some problems. How can the Defense Department assist the states in planning and preparing for future mobilizations?

GOV. MINNER: Just letting us be a part of that decision making. At one point, three governors were sitting and chatting, and I said, you know, they took my communications group and we really depend on them. And a governor from a larger state said, well, I have five; they could have taken one of mine; it wouldn't have bothered us at all. Those kinds of things – to talk to us to see how it impacts us when they take our units and which units they're taking – would be so beneficial.

MR. ECKLES: The National Guard Bureau has indicated that a 50-percent rule would be adhered to with regard to mobilization, meaning that no more than 50 percent of any given state's forces are deployed at any given one time. Does that practice, the 50-percent rule make sense? And, if not, in your opinion, what percentage should it be?

GOV. MINNER: Well, in Delaware it's different, so this time I'll speak as one of the 50 governors, or 52 governors, rather than just myself. The difference is where the units are located. In a small state like Delaware, we can move our units back and forth. Larger states can't do that, and so if you take their unit and leave a whole area totally uncovered by way of not having any assistance at all, it makes it very difficult. Several of the governors from larger states have said, you know, if they had taken one half of the northern group and one half of the southern group, that's okay, but they took the whole northern group and now we've got – and I don't remember the exact mileage, but like an 800-mile trip to move one group from one place to the other.

And so consultation with the governors on how they take that 50 percent – we were told we would never lose more than 45 percent; they've moved that up to 50. When are they going to come back and say perhaps 55 or 60 without asking us?

MR. ECKLES: Thank you. What difficulties did your units in Delaware face in the mobilization and de-mobilization process that might be appropriately addressed by our commission?

GOV. MINNER: I tell you, my group is probably not unique, but I think they are in that they are always prepared and always ready and willing to serve their country. And so I'll turn again to my TAG and say, did you have any one particular issue that I should – (confers off mike). We have not had that much by way of difficulty in mobilizing our troops. But, again, remember, it's because we are a small state and we can move as we need to within a couple of hours from one end of our state to the other.

MR. ECKLES: Thank you.

That's all I have, Mr. Chairman.

MR. PUNARO: Commissioner Will Ball.

WILLIAM BALL: Thank you, Mr. Chairman.

I'd like to ask a couple of questions on the subject of in-strength and budget reductions. You referenced earlier in your testimony the letter that had been signed by all 50 governors from the National Governors Association to the president on the subject of proposed force reduction in the Army and Air National Guard, and also addressing the importance of re-equipping and re-sourcing units that were returning home after deployment. So on that latter point I wondered if you could give us some estimation as to when you project that units that have returned from deployment would be restored to what is considered to be an adequate state of readiness.

GOV. MINNER: At this time I don't know that I can tell you that. What we were told is we would get equipment replacement, and we have not – you know, saying that we'll get it after the next round of budgets, then something happens and the equipment still doesn't come. So it's been very difficult for us by way of getting the replacements that we've needed.

MR. BALL: Is it fair to say that you've not yet been provided with a schedule that would ensure that the deficiencies in readiness would be remedied over –

GOV. MINNER: Absolutely correct. Absolutely correct.

MR. BALL: – finite period of time? All right.

Well, recognizing the finite nature of resources, can you address to us your perspective on what some of the funding priorities would be for your National Guard units?

GOV. MINNER: I would say it's across the board, all of the things because, you know, communications equipment is important; there is no question about that. But the gear that they need personally by way of their uniforms and protective things are just as important. Having the equipment to move from one location to another – all of it's important. I don't know. Let me turn and see if my general would tell me one thing that he would rather have. (Confers off mike.) It's across the board. If it's aviation, you need that equipment. If it's engineers, you need that equipment. It doesn't matter what you talk about; it's across the board.

MR. BALL: All right. And finally, on the subject of efficiencies, do you have any suggestions for us in this era of finite resources as to what efficiencies might be achieved within the structure of multiple Army and Air Force reserve components where certain near-term reductions could be absorbed?

GOV. MINNER: We are almost cut to the bone now. To say that we could take any cuts, especially with as many people as we have deployed, would just be impossible.

MR. BALL: Mr. Chairman, that concludes my questioning.

MR. PUNARO: Okay, we'll go to Commissioner Patty Lewis next, then we're going to call on Commissioner Stump, then I'm going to have Dan McKinnon start the second round of questioning.

So, Commissioner Lewis.

MS. LEWIS: Governor, you have a wealth of experience, and we appreciate – I'm sorry. Governor, you have a wealth of experience, and we certainly appreciate you sharing your time and your knowledge with us here this morning.

As a small business owner as well as serving as governor, what sort of innovative ways could this commission explore to update our compact with employers as our country requires more of them and the Guard and Reserve members that they employ?

GOV. MINNER: I probably would say education and more education because a lot of them don't realize how important that guardsman's job is and what they do. You know, it's okay for the guardsman to say, this is what I do when I go, and the employer says, oh yeah. But we need to educate them on the true value, and I think that's what this latest conflict has done, because now our businesspeople in the state of Delaware realize the importance of the National Guard to our country and our security rather than just they are our Delaware National Guard.

MS. LEWIS: We'd spoken a little earlier about the tax benefits that your state offers. Do you want to comment on potentially any federal sorts of benefits, or even in the area of health – things that we could do that might – or suggestions we might make that would be creative in forming a new relationship with those employers as we look at different rotation cycles?

GOV. MINNER: Health benefits would probably be at the top because they are escalating; there is no question about that. And all of us, as states or as businesses, are suffering from the exorbitant cost of health care. Any benefits, tax exemptions especially, would help the employers. And I think, again, it's the education; it's knowing what is available, what they can do. And it makes a difference for each one of them.

The larger businesses usually can take advantage of most things because they have the expertise among their staff. Smaller businesses who sort of do it themselves don't have that opportunity. Our National Guard works very closely with the business community. We do have an association and they go out and meet with businesspeople. And if our guardsmen are having problems with something about employment, they send someone to chat with them, maybe a retired businessman, maybe a current businessman. But they work very closely together. But it's difficult for business and getting more so every day.

MS. LEWIS: The Department of Defense has taken on some new initiatives to recognize the family support issues that are becoming more acute as we use these forces more. Those issues may not be as severe in a smaller state like yours, but I was wondering if you had noticed any improvement in that kind of support or if you had any suggestions and other ways that we could address or look into to help with family support.

GOV. MINNER: Probably I would say that emergency assistance for those families that are left behind, but I'm going to lend an ear again and see if my AG agrees with me. (Confers off mike.)

In Delaware what we did was establish an emergency fund to help the families if they needed it. Some families who are taking less salary because of their military service than they were getting might be in jeopardy of losing homes and other kind of things. And having that emergency fund to help them – a mother who became ill, had two children; she was not where relatives were who could help her out. She depended on friends and neighbors. And the National Guard stepped in and made sure that if there weren't enough friends and neighbors, next-door neighbors who could help, their emergency fund helped. All of the kind of things that families need and depend on each other for, we try to fill that need through the emergency fund.

You know, I had a young lady who called me. Her husband was deployed, and she had a daughter who was getting ready to graduate from school. And they needed to buy the things like the caps and the gowns and all the other things. And she said, I didn't plan on this, and I'm short on funds, and how do I say to my daughter, well, you won't be able to participate in the graduation ceremony? I sort of wrote a check and took care of that for that young lady, but had I'd have called for that emergency fund, they would have helped in that case as well.

MS. LEWIS: That's impressive.

We've talked a little bit about health care and the need to provide the support to reserve and guard components and their families. But I'd like to switch tracks just a little bit and ask you if you have any observations or comments on an emergency medical response to some sort of catastrophic event and how you would see your state playing – and are we where we need to be to respond to a large-scale medical disaster?

GOV. MINNER: I don't think we will ever be where we need to be. However, is my state is ready as it can be? Yes, we have done everything by way of training, including pandemic flu. We, of course, are a poultry-producing state; we worry about the avian influenza things and what might happen.

I'm blessed in that all of my departments work together. We used to have some turf battles amongst some of our Cabinet secretaries. The Department of Agriculture, the Department of Natural Resources, the Department of Transportation sit down with our National Guard and talk about what would need to be done and how we would need to do it. We brought in the public safety because of having, perhaps, to block roads or quarantine sections or whatever. We've done a lot and we've planned a lot, and they've actually gone out and done training in the communities so that they know what's there when they get there. It's one thing to have an outstanding plan and be ready and then when you get to the community you don't really know what's there or how it's changed or if there are roads that have been blocked or if a new development has gone up. And so they actually go out into the community so that they're prepared on the ground as well as on paper with their plans.

MS. LEWIS: That's good. Thank you very much.



Mr. Chairman, I'm done.

MR. PUNARO: Thank you.

Commissioner Gordon Stump.

GORDON STUMP: Good morning, Governor. We certainly appreciate the great support you've given to our National Guard.

The White House Townsend Report states that there should be a priority mission for the reserve components for homeland security, homeland defense, and disaster preparedness. Unfortunately, when you have something happen, immediately you go to you adjutant general, and the only reserve components you have access to are the National Guard. Now, during Hurricane Katrina, the Marine reserve unit came out on their own as volunteers, as they can in first 24 to 48 hours, to save life, limb, et cetera, and voluntarily helped in that particular disaster. If we're going to involve all of the reserve components in the disaster relief, it would seem that we need more than just hoping that somebody will volunteer from the reserve components. Would you be in favor of having access to those other reserve components within the state of Delaware to call up, just like you do your National Guard, for a disaster response?

GOV. MINNER: Absolutely. If we have a disaster, we need all the help we can get. But we need it coordinated. We need them to work together. And, you know, the Delaware National Guard take the lead and the reserves work with them – it would be outstanding.

MR. STUMP: So putting some sort of a mechanism where you could use those and then include them in some of their training so that once they're called up they would fall under the adjutant general and –

GOV. MINNER: Just as we do with our local police and our state police and our, you know, the fire service, and everybody else. We would want them in that training; we would want them to be ready with their plan so they know what our plan is. We want them to be a part of that and be just as prepared as the rest of the group is.

MR. STUMP: Great, well great. Thank you.

MR. PUNARO: Anything else, Gordon?

Okay, Commissioner Dan McKinnon.

DAN MCKINNON: You know, Governor, I got to thinking; I'm wondering if we could impose on your TAG to write a list of what his inventory is today and what his wish-list would be for the DOD so we have some kind of an idea – when you talk about lack of equipment, what are we talking about? What are the needs?

GOV. MINNER: You would not be imposing upon him. Knowing him as well as I do, he's probably got it, if not in his pocket at least in the file cabinet back in Delaware.

MR. MCKINNON: Okay. Also, and you mentioned you're involved in the Homeland Security Committee of the Governors. What is your personal attitude and what is that of the governors about deploying National Guard troops on the border?

GOV. MINNER: We support – in fact just yesterday afternoon my TAG brought to me letters – five of them I believe – four, I'm sorry, four of them that I signed that would allow us to deploy our people to help Texas, California, whichever border they needed to work on – memorandums of understanding between our state and theirs that we could send people to help if they need to.

MR. MCKINNON: Are those kind of letters pre-negotiated? I mean, so, you'll have an understanding in advance?

GOV. MINNER: Yes, but the thing is they're done now. You know, they're not asking us to come now, but the letters are prepared so that if they need us we don't have to worry about sitting down and working out a memorandum of understanding; it's already done.

MR. MCKINNON: Is that pretty well done among all the governors? If you're on that committee, I mean, do you have feedback with most the governors of all the states are doing it?

GOV. MINNER: All of the states, yes. And we do it on any number of things. We have MOUs with our neighboring states on some of the things pertaining to homeland security. We have a 10-state agreement in the northeast region that we are a part of as well.

MR. MCKINNON: Does it bother you how long they would be deployed on the border?

GOV. MINNER: It's an unknown issue. We don't know what the problem might be or how long they might be needed. But, I'll say it again, my Delaware National Guard are a proud group and they'll serve as long as they're needed.

MR. MCKINNON: Okay, thanks a lot.

Mr. Chairman.

MR. PUNARO: Thank you. We'll see if any of the other commissioners have any questions before I get to my second round.

Commissioner Stanton Thompson.

MR. THOMPSON: Governor, I have one more question that came to mind. Again, going back to your role in the Governor's Association, we've been advised by the Department of Homeland Security that they have built some scenarios – I can't recall the exact number, but they have built some scenarios for catastrophic events to try to give focus to the national response plan. What kind of input did the governors have on the selection of these catastrophic – this list, because it seems to be driving a whole lot of other decisions. Did the governors have – I mean, you've talked about the lack of consultation with the Department of Defense, but this seems to be pretty important, and were you all knee-deep in helping the Department of Homeland Security form this listing?

GOV. MINNER: We had the advantage when we had a former governor as the leader of the homeland security group, and he did talk to us quite often about what was happening, came back to our Governor's Association meetings, and we worked very closely. I do not know the new director as well and have not had the opportunity to interact with him as much.

MR. PUNARO: Mr. Dawson.

RHETT DAWSON: The witness we're going to hear from next suggests – and actually, this is kind of following up to an answer you gave to Commissioner Thompson a minute ago – in a study that's about to be released that there be a regionalization of the National Guard and a headquarters for every 10 states in a regional structure. What do you think about that idea?

GOV. MINNER: I think they already work that way and that they work together without any formal plan or any formal regional office. Do you really want to do that when we've already got it?

MR. DAWSON: Well, their suggestion – and I'm not defending it –

GOV. MINNER: Okay.

MR. DAWSON: – and we haven't heard from her yet. Their suggestion is that you beef up a headquarters that would be the coordinator across the board. My sense from your answers is that this is not a one-size-fits-all way of operating. And the way you operate today it's highly disaggregated and broken up into its piece parts and gets together when things command it. But I'm really interested in whether it's worthwhile to create a headquarters that coordinates and integrates a 10-state region. I mean, I don't know if it has to be 10, but if –

GOV. MINNER: Does that leave the authority for our National Guard with the commander in chief, or does that take my authority and move it with someone else at a regional office? Do I still have the same availability of my Delaware National Guard in an emergency or do I have to clear it through a regional office? If we are doing it now,

and our TAGs are working together – and there is a group that meets with all of the states. The TAGs meet and they work together, and we work out memorandums of understanding, and we know what our authority is. I would want to be a part of making those kinds of decisions to know that the governors still have the authority to use and to work with the Delaware National Guard.

MR. THOMPSON: Well, we haven't heard her testimony yet so I couldn't answer the question. I'll let her speak for herself.

GOV. MINNER: Well, I just think that we depend upon them in any kind of emergency, whether it's a flood or a hurricane or, you know, it's a bad snowstorm, or if it is a severe fire where we think we might have some problems and perhaps we need extra people to come and help beyond our policing units, we know they're there. That fire didn't give me much time to react. Within a half hour, one half of the Main Street of Milford was on fire. If I have to make calls and get permission, if you want to say that, or have someone else dispatch my National Guard to help, it's going to be a really tough problem for us. I think, basically, they work together now. You know, we were in Louisiana in 24 hours. Nobody had to say to us, you got to go help another region. We did it, and every other state did the same thing. They are a close-knit group that work together from their top down.

MR. THOMPSON: Okay. Quite apart from the Katrina-like example, where you're sending the National Guard off to a place a great distance from Delaware, I presume you have regional compacts with other Mid-Atlantic states. Is that correct?

GOV. MINNER: Absolutely, yes.

MR. THOMPSON: Could you tell me how many you have, or, for the record, which would be fine with me, provide us an example or the list of the compacts you might have, because I assume they are issues or crisis-specific.

GOV. MINNER: We have them with every adjacent state – there is no question about that. And just as I signed yesterday a memorandum of understanding, a compact if you will, with Texas and New Mexico and California and – what was the fourth one?

MR. : Arizona.

GOV. MINNER: Yeah, Arizona was the other one. But, we do that now and we help each other. But even without a compact, if another state calls us and says they have a problem, we automatically – I mean, it's the National Guard brotherhood, and they work together. And I probably should be saying sisterhood as well as I talk about this. But we always think of them as our guardsmen rather than guardsmen and women. You know, but the adjutant generals work together and the troops work together. It's always been that way. I've always said it isn't just the Delaware National Guard; it's the Delaware National Guard family. And they look out for each other, and if it crosses the border and it's another state and it's the National Guard, they look out for them as well.

MR. THOMPSON: But just to satisfy the record here, could you supply for the record formal interstate compacts that you are a party to?

GOV. MINNER: Yes I will – yes.

MR. THOMPSON: Okay, thank you.

MR. PUNARO: Thank you Commissioner Dawson.

Let me explore sort of this issue of command and control, which was, I think, one of the things that Rhett and some of the other commissioners were getting at. And one of the key issues before this commission, as we outline in our 90-day report, and in your testimony you've been very clear on this fact here this morning, is what is the balance between what's the federal responsibility and the state responsibility? And once that's determined, how does the command and control work? What kind of equipment is necessary, what kind of people are necessary? Because that has a lot to do with how the guard of a state may or may not be organized. The Army, for example, in some of the recent developments, has suggested converting some of the brigades, the guard brigades, to more combat support and combat service support with more of what some people call, I certainly call it, dual-capable equipment: engineering equipment, communications equipment, trucks, kind of the basics of units that are both useful overseas in overseas situations but also extremely useful here at home.

And so it's not a simple situation, but to try to, sort of, get at a fundamental understanding to make sure that we understand it. Is it a fair statement to say that the federal government expects – let's say you as the Governor of Delaware, and then look at it in the larger picture – your other governors that are members of the National Governors Association – to execute certain activities in the event of some incident that involves a federal response plan? In other words, they don't hold themselves accountable; they hold you accountable. Is that correct?

GOV. MINNER: Absolutely.

MR. PUNARO: All right. So that would be a fair statement to parse it that way. Would it also be a fair statement to say that your neighboring governors, the governor of New York, the governor of Maryland, the governor of New Jersey, they also expect that, should certain activities occur, you, as the governor of Delaware, are going to execute certain activities in you state that would bear on whether or not their state can deal with a situation or whether it protects their state. Would that be a fair statement?

GOV. MINNER: Yes.

MR. PUNARO: Okay. So, in essence, you know, in this particular incident that each of the governors feel – and I'm saying this because we've talked to not 50 of them but we've certainly talked to enough of them that they certainly believe, as Harry Truman

would say, the buck stops here. In other words, they don't see it that the buck is stopping over at DHS, or the buck doesn't stop in Paul McHale's office, the assistant secretary of Defense for Homeland Security, would that be your understanding of it?

GOV. MINNER: Absolutely. When we had that severe fire in my hometown, I'm sure nobody at the Department of Defense knew that I was ready to say, I need the Delaware National Guard activated so they can serve.

MR. PUNARO: Right.

GOV. MINNER: It's got to be the local issue.

MR. PUNARO: So how do we square the knot when they hold you accountable and they hold your fellow governors accountable for executing certain sets of responsibilities, some of which are dealing with incidents that could be of a catastrophic nature – they expect you to have the personnel and equipment to be able to deal with that, and yet it appears to me that they're at the same time saying, but if we decide we want to be in charge of all of it, we ought to be able to be in charge of it and kind of swoop into your state or your neighboring states and sort of take over. Is that an exaggeration or is that kind of a fair statement?

GOV. MINNER: It's a fair statement. I think, basically, it's – you know, it's one of the things that we worry about. We do our part for the United States as well as for our state.

MR. PUNARO: So this is the challenge that we're facing in the commission looking at this is how do you square this knot? Because this tension, you know, has been there since the beginning of the republic. But, on the other hand, as we said in our 90-day report, we probably face the most complex, most diverse, most serious threats the nation has ever faced when it comes to situations like this where you're going to be required to take certain activities not only in your own state but on behalf of citizens in other states.

One of the things that – it always comes down to who owns the assets and do you have the right assets? It's people and equipment. An earlier commissioner talked about the Title 10 forces that might be – say, reserve component forces that reside in your state or a neighboring state. Before I ask you the question, you've already answered that you believe it would be appropriate for the governor in their commander in chief hat, you know, to have access to those forces as well. And knowing – and I'm not giving the position on behalf of myself personally or of the commission, just trying to kind of explore the issues – and one of the things that comes back, well, wait a minute; how could they say that, because those forces are paid for by federal tax dollars? Those are Title 10 forces; you know, they're paid for out of the DOD budget. Now, this isn't to put you on the spot, but what percent of the money that goes to the Delaware National Guard comes from the federal government? I suspect it's a substantial amount.

GOV. MINNER: Ninety-five percent.

MR. PUNARO: Ninety-five percent. So whether the Delaware National Guard is in a state status or a Title 32 status or a Title 10 status, 95 percent of the funding that you have to execute those responsibilities the federal government expects you to execute comes from the federal government today. Is that correct?

GOV. MINNER: Yes.

MR. PUNARO: What would be the 5 percent that Delaware would be kicking in? That's not thinking about the benefits the state provides and the free education; I'm just talking about what is it that you're sort of paying for? Is it turning off and on the lights? Or what's the 5 percent you're kicking in?

GOV. MINNER: State employees, education, some of the facilities.

MR. PUNARO: Yeah. But, again, in state status, or in Title 32 status, the federal government is paying for those forces, correct? And they're buying the equipment.

GOV. MINNER: If I call them out under a state of emergency for the state of Delaware, we pay them back –

MR. PUNARO: Okay.

GOV. MINNER: – for that. So it's not a state expense at that time.

MR. PUNARO: What is the cost of maintaining that capacity in your state? In other words, is it not the federal government that's paying to have those units there and paying for their equipment?

GOV. MINNER: Under their mission, yes.

MR. PUNARO: Right. So, again, you answered 95 percent – so if you called them out for kind of a local flood situation that wasn't going to impact anything but a local community, you're saying you'd reimburse the federal government for that?

GOV. MINNER: State pays, yes.

MR. PUNARO: Right. Okay, so if you have a reserve unit, like a Marine reserve unit, a rifle battalion or a rifle company, or you have an Army reserve combat engineer company, their funds are paid 100 percent by the federal government, so the differential is about 5 percent. That would be an accurate statement, would it not?

GOV. MINNER: Right.

MR. PUNARO: So, in essence, when you call out the Guard in your state, you're calling out a military force that is almost 100 percent paid for by the federal government. Is that not correct?

GOV. MINNER: Absolutely, but they –

MR. PUNARO: So they – the federal government trusts you when you call out your guard, but the suggestion would be that they're – why would we let the governors use the other reserve components in their state? Do you see any difference? I'm not trying to put words in your mouth. I'm just trying to understand, you know, what the difference is, in your eyes. I know what it is in the eyes of Department of Defense.

GOV. MINNER: My responsibility as governor is the life and public safety of the citizens of my state, and if I don't have the people available to meet those needs, where do I go?

MR. PUNARO: Right. And let's say hypothetically if you had a reserve unit that was the most immediate on the scene and you could call them out, if it was just purely a local situation you in theory could reimburse the federal government for the use of that force, correct?

GOV. MINNER: Absolutely. Absolutely.

MR. PUNARO: Do you believe – have the National Governors Association looked at this in any detail at all, or talked about it?

GOV. MINNER: Not in any of the meetings I've been in, no.

MR. PUNARO: No. Do you think that your view would be widely shared by the other governors – other governors?

GOV. MINNER: Absolutely. We all feel the responsibility for the citizens of our state and their safety. Whatever we need to do to meet that requirement, it's so important to us.

MR. PUNARO: Right. And, then again, under the Federal Response Plan, when it gets to be a little bit larger and Title 10 forces are brought in, they're going to be used anyway, correct?

GOV. MINNER: Right.

MR. PUNARO: So that kind of gets me to the command and control issue. I don't know that we have an answer here today on how to square that knot, and it's a tension that's been there for a long time, but it's something that I really think, and we said in our report, we've got to deal with it. We've got to come up with some different solutions than we have right now because what we have right now is not working as



efficiently, as effectively as it needs to be. And certainly if we look at the complex and diverse threats that we're facing down the road, business as usual is not going to meet the standard that our citizens require, both writ large in the United States as well as the individual citizens of Delaware that hold you personally accountable for what goes on in their state.

So let's – let's talk then a little bit about each of the individual pieces as a governor, as a commander in chief you feel you need to basically execute those responsibilities. And again, I come back and say – and if I'm over-stating it I'd like to be corrected – the federal government, under the Federal Response Plan, holds you accountable for executing certain activities in your state.

GOV. MINNER: Yes.

MR. PUNARO: So do you feel you have the kind of threat warning or threat information through either your law enforcement or through compacts or however, the FBI and the federal law enforcement – this is this whole issue of sharing information. Do you feel as a commander in chief in your state you have access to know, okay, the Delaware Memorial Bridge, there's a threat and I'd better do something about it? Or do you think the information flow needs improvement?

GOV. MINNER: It always needs improvement but we're much better than we were prior to 9/11.

MR. PUNARO: So that has improved then?

GOV. MINNER: Yes, it has. Yes, it has. Not to what it should be perhaps. But let me just go back to your point on needing the reserves. That's why it's important that we have that opportunity to work and be flexible among the states. And if I need somebody, I can call any of my neighboring states and they will supplement our troops.

MR. PUNARO: Right. But that's on kind of a governor-to-governor basis?

GOV. MINNER: Absolutely. Yes.

MR. PUNARO: And when they come in your state, they fall under your control, is that correct?

GOV. MINNER: Yes.

MR. PUNARO: But in theory now – and I'm sure this doesn't happen, but in theory, if the governor that sent them decided, holy smokes, I need them back, he could bring them back home and you wouldn't be able to do much about it other than exhort him to let them stay there.

GOV. MINNER: We all make sure we keep enough in case we have an incident that we can protect our own citizens and our state. But yes, if I send my troops to Maryland to help them in a severe situation and I want to call them back, I have that right.

MR. PUNARO: Okay. So we've talked first about the command and control, and we know we've got to fix that. From the governor's commander in chief hat we've got to fix the command and control piece. The second piece is having the information you need to execute in an instant. You say it's improving but it could get better, but I mean, it doesn't sound like that's an issue where – and I believe the federal government is really trying to do a significant amount of things to basically make that information available to the states.

GOV. MINNER: But sitting in my office, I have a piece of communication equipment that is supposed to be tied directly to Homeland Security. Nobody else can use it. However, I will tell you that as of this point 100 percent of the time that that phone has rang, it has been telemarketers. (Laughter.)

MR. PUNARO: Have you heard about that thing where you can call in and tell them they can't call your number?

GOV. MINNER: Yes, and we tried that too but it didn't work.

MR. PUNARO: So do you think the Department of Homeland –

GOV. MINNER: It is not just me; it is other governors who get that same thing. It's that random dialing.

MR. PUNARO: This is supposed to be the hotline between you and DHS? Probably DHS to make a few bucks probably sold your number to the telemarketers. That's a joke. They obviously didn't do that.

GOV. MINNER: I wonder about the security – right. I wonder about the security of that line when we are on it. There is the screen – the one call that we had through the National Governors Association, not through Homeland Security; there were 27 governors on. And so it needs to be secure and we need to know that when we're on it we're dealing with the right people and, you know, we have the right information. I'm not sure at this point I would have the confidence – you know, it's really rather embarrassing when I have to tell you that telemarketers call a secure phone line in my office.

MR. PUNARO: That is – that is kind of scary. In other words, are you saying that you don't feel you have a means of secure communications with the federal government?

GOV. MINNER: I question that at this time, yes.

MR. PUNARO: What about in your emergency management command center? Does the military have secure communications with the Department of Defense?

GOV. MINNER: Absolutely do. Yes. And that's why when we have any kind of a threat of a problem I'd rather be at the command center than in my office with the equipment they gave me.

MR. PUNARO: Is your threat information coming to you via military channels or law enforcement channels?

GOV. MINNER: Both.

MR. PUNARO: Both. But it sounds like the law enforcement may not be as secure as the military.

GOV. MINNER: I would think, yes, it is.

MR. PUNARO: Okay. Good.

GOV. MINNER: We're well prepared with that, and Delaware as well.

MR. PUNARO: The other thing I think you've already talked on, and I believe this is a common thread we've heard from most of the governors, is you don't believe the equipment situation is fixed.

GOV. MINNER: No.

MR. PUNARO: And as I understand it, you don't see any light at the end of that tunnel because nobody's been able to tell you when it will be fixed.

GOV. MINNER: We get told every year it's going to be fixed that year with the budget, but it doesn't get fixed after the budget passes.

MR. PUNARO: We met with one governor who told us their brigade just got back and they were told they would not have any equipment for four years. We found that hard to believe and we ran the string on it, ran the traps on it. As it turned out, it was accurate. Now, that may have been based on previous budget plans, not this most recent one that's been worked out with the guard. But all of us that have been in this business a long time, is you don't turn a spigot on and spit out a combat engineer brigade's worth of equipment overnight. You can't go down to the local Caterpillar and buy that and Humvees and seven-ton trucks and things of that nature.

GOV. MINNER: But you have to remember at the same time, coming back without their equipment, not having what they need, they get reactivated and they go

back again but they don't have the equipment that they need when they do get reactivated.

MR. PUNARO: And some of the equipment they've left over there, it's not going to be useable because it's been – they put a lot of mean time between failure and a lot of life on that gear, you know, in a war zone.

GOV. MINNER: And very difficult situation because if you think of the sand and the wear and tear on those vehicles, as well as the fact that some of them are being involved in that war –

MR. PUNARO: If I look at all of these issues I've surfaced, these four key areas of this balance between state and federal – even though we know a lot of work needs to be done on command and control, there are work-arounds; on information sharing there are work-arounds, you know; the people, there are work-arounds because you can get them from other states or share between units, but it sounds to me like where there is no work-around is really the equipment. You either have it or you don't. Is that a fair summary?

GOV. MINNER: Absolutely.

MR. PUNARO: Okay. I appreciate you bearing with me as we kind of went through a lot that. But that is really one of the key fundamental issues that we're dealing with within the commission is this balance between federal and state and how do we square that knot for the future. I think it would be a different situation if the federal government didn't expect you to execute certain responsibilities on behalf of the citizens not only of your state but of the nation. If they basically said, hey, we're going to come in and take care of everything, now, you wouldn't like that either, but still, I think we need to basically make sure people understand the perspective is that a lot of these things you are doing on behalf of requirements set out by the federal government.

GOV. MINNER: Absolutely. And what you have to remember as well is we're looking to have the best-trained force. We're training without proper equipment and without enough equipment.

MR. PUNARO: Right. What about – I want to follow up on Commissioner Lewis' question again because I think this issue of the business – supporting the business community for our guard and reserve – you know, I work for a large corporation and we do a lot of the things that other corporations do. We're not unique to basically take care of our guard and reserve personnel, and large corporations could probably absorb people coming and going a lot more than small businesses. But one thing that's starting to worry me in this area is – and our small business and our large business community has been tremendously supportive of our guard and reserve over the years, you know, and we have the national commission that looks at employer support of the guard and reserve. They do a great job. The department does a great job in this area.

But I bump into businessmen and women now that scratch their head a little bit and say, we love the guard and reserve and we love the people that work in our company, but I'm running a business, and if you're telling me that I can expect that anybody that's in the guard and reserve is going to be gone once every X number of years and you can't tell me with any predictability when that's going to be and how long they're going to be gone, then I've got to take a deep breath, as great as these kids are, in deciding if I want to hire somebody that's in the guard and reserve. Do you see that happening now?

GOV. MINNER: And it isn't just in hiring. It's in promotions. If you've got two people competing for a job, one's a guardsman who may leave and the other one you know is going to be there, it makes the choice lean on one direction. So it affects them in employment, not just in hiring.

MR. PUNARO: That's a good – that's a great point. What do you think could help balance that scale back in terms of incentives? We've talked about tax incentives, federal tax incentives – which would be extremely difficult to get through the Congress because it's a revenue loser for the federal government at a time when we're hopefully going to look at, you know, the fiscal constraints, and so it would be a very challenging thing. But what would – what could we do for these business personnel to sort of re-balance that scale, given the fact that we probably are not going to change the operational nature of our guard and reserve and the fact that they are going to be used more than they were in the '70s and '80s?

GOV. MINNER: Well, health insurance is the other area. If they continue to carry that health insurance and we don't have to worry about the local employer, that makes a difference. The tax incentives are the best. And I guess I would say, how much does our security cost, you know, and is it worth it to take a chance? I don't think it is. I think it's something that we owe to those people who put themselves on the line for us, and we know that some of them don't come back. But we need to make sure that we take care of them.

MR. PUNARO: Right. I think that's really all that I had. Let me see if any other commissioners have – Stan?

MR. THOMPSON: Following Katrina, and in our discussions with the Department of Defense, there were some conversations that dealt with U.S. Northern Command, in its defense support of civilian authorities or to states, would be supporting in the joint vernacular. But then there was some discussion, or has been, where they would become the lead or supported command. Now, is it fair to say, based upon your prior comments about how the Department of Defense is coordinating things with the governors – we've been given the impression that there is a definition that's beginning to be developed on what kind of catastrophic event in this nation would cause U.S. Northern Command or the Department of Defense to become the lead mitigator of that event.

Now, could you give me an idea of how the Department of Defense has, as they defined this threshold, how they've coordinated with the governors on that definition?

GOV. MINNER: No, I can't, because I don't know that they have coordinated with us at all.

MR. THOMPSON: Okay. So it's a fair statement to say that the Department of Defense, as they churn on this decision, this development of this threshold, has not been involved – had the governors' involvement?

GOV. MINNER: I have not been involved in it at all, no.

MR. PUNARO: Okay, I think we'll turn to Don for one last question.

MR. STOCKTON: Governor, you're obviously very proud of the abilities of your National Guardsmen to respond to the things that you see as issues out there for the future, in spite of some funding and equipment issues and stuff like that. This commission has had testimony about the difference between a strategic and an operational guard and reserve, and I'm wondering, for your National Guard, they're prepared to go abroad to fight wars, they're prepared to go to Louisiana to fight floods, they're prepared to protect your infrastructure in your state, they're prepared to go to Arizona or California and work on the border. Do we run the risk of perhaps over-utilizing these people, having them ready to go all the time to do these strategic things, but then also calling on them more and more and more to do operational things?

GOV. MINNER: Not at this point, no. Our National Guard are there and they are ready and they are willing. You know, it's their duty, in their opinion, and they're prepared to do that. I don't see it as an immediate problem at all.

MR. STOCKTON: Thank you.

MR. PUNARO: Thank you. Thank you, Governor Minner, for your tremendous help here to the commission this morning, and for your continuing leadership not only in your state but in all these very important broader national security areas. We look forward to staying in close touch with you and your adjutant general. Please express the commission's deep appreciation to the National Governors Association. They've been a tremendous help to us, and I know we're going to continue to work with them very closely, and we will work on all these issues that you've surfaced for us here this morning and do our level best to come up with recommendations to deal with them. So again, thank you very much. We appreciate having you here.

GOV. MINNER: And we will get the information to you you requested as quickly as possible.

MR. PUNARO: The commission will recess for about 10 minutes as we get set up for our next witness.

(Break.)

MR. PUNARO: Check and see if our witness is ready to go. Christine, are you ready? Okay.

The commission will come back to order. In this session the Commission on the National Guard and Reserves continues to explore the issues and challenges confronting our reserve forces. The efforts today will focus on the extensive research conducted by our respected and highly regarded subject matter expert from the Center for Strategic and International Studies whose report on the future of the National Guard and Reserves is very close to being completed. This hearing is a continuation of the commission's mission as assigned in our charter by Congress, to study and assess such areas as the current and future roles and missions of the National Guard and Reserves, the laws and policies that provide guidance to the military and the critical challenges that the reserve components face in this fast-changing environment.

To achieve this mandate we seek the expertise of leaders, stakeholders and experts in the field whose research and careful thought provides insight into methods we can use to improve our forces and continue the success we see today and in the future. We are very interested in hearing the thoughts and ideas of these distinguished policy experts on optimal roles and missions, personnel and compensation, and organizing, training and equipping the National Guard and Reserves to best serve our national interest.

Our guest for this panel is Christine Wormuth, a senior fellow in the international security program at the Center for Strategic and International Studies. She is a policy analyst and critical thinker whose keen insights have aided senior leaders in the Department of Defense and Homeland Security and in the White House. She is credited with several capstone efforts, most recently as an author of the Beyond Goldwater-Nichols Phase 2 project, and currently as the overall lead on the CSI study entitled "The Future of the National Guard and Reserves."

We welcome you here today. We're eager to hear your perspective and deeply appreciate your attendance here today. We've heard and will continue to hear from a number of the very distinguished think tanks and outside experts around town. We had a couple in our last hearing and last panel under the leadership of a colleague of ours, Dr. John Hamre. CSIS has always been regarded very much at the top of the top tier and have been involved in many landmark efforts over the years. One I recall personally was their first Goldwater-Nichols report, which along with Rhett Dawson's work from the Packard Commission, had a very pronounced and positive impact on the legislative changes that occurred in 1986 that are making our military so successful today. So they've set a very high standard for themselves, and I'm sure their report on the guard and reserve will meet that high standard.

I should also mention that we've worked with them very closely. They've been extremely helpful to us. In addition, one of their new senior colleagues down there, Mr. Ray DuBois, who served as a senior defense civilian official in the Department of

Defense here in the last five years, is working – is someone that has agreed to help the commission work on some red-teaming. And as I mentioned, we've had some other distinguished experts help us out. And I see former Congressman, former Secretary of the Army Jack Marsh just came in the room. So, Christine, it's not only the commission you need to be mindful of today, but we have one of the great duty experts on the guard and reserve sitting in the audience.

Welcome, Secretary Marsh. It's always good to see you. And very much thank CSIS, thank you, thank John Hamre, and of course we look forward to working closely with you and Ray in the months ahead.

So with that, if you would please proceed with your testimony.

CHRISTINE WORMUTH: Thank you, Chairman Punaro and commissioners, for having us here to testify. We're delighted to have the opportunity to share our work with you sort of as a sneak preview. And frankly, we really welcome the spotlight that the commission is going to shine on these issues. It's so important. And I think as Chairman Punaro has said, CSIS did set a high standard when it had such an influential role in the formation of the original Goldwater-Nichols legislation. I'm not sure, frankly – I aspire that our work here will make a similar contribution. It's a high bar. But certainly I think the fact that you all as commissioners are looking at these issues will give them much more visibility and will greatly increase the chances that perhaps Congress can help the Department of Defense move forward in this area.

Because we have limited time, I'll just try and tell you a little bit about how we conducted our study and then try and highlight some of our major recommendations. The report will have a number of recommendations that I won't have time to cover here, so I'll just try and touch on the highlights.

The guard and reserve study team at CSIS started its work almost a year and a half ago actually. We've been looking at these issues for quite some time and we have a very similar mandate, frankly, to yours, which was to try and look at what should the National Guard and Reserves look like in the 21<sup>st</sup> century, and our mission to ourselves was to try and provide practical, actionable recommendations for DOD as opposed to sort of ivory tower recommendations.

In doing the study we were certainly mindful of current operations but we tried to look out into the future at least 10 to 15 years so that we would be making recommendations that would have some durability. We went about our work in a number of different ways, but a centerpiece of our work were three working groups, one looking at roles and missions for the reserve component, another looking at how the reserve component should be organized, trained and equipped in the future, and our third working group looked at social compact issues, which in our minds cover both the intangible and tangible aspects of the implied contract between DOD, reserve component members, their families and their employers. So there's everything there from compensation and benefits to health care to retirement to family support, you name it.



We used our working groups to really help us identify problems, frame options, and vet recommendations, so it was a very – probably about 60 people involved in the process, very engaged. We drew from people who had experience in DOD, both on the active and reserve component side, people from think tanks, people from places like CBO and CRS, as well as the Chamber of Commerce and the National Governors Association. We of course also tried to work closely with folks inside the Department of Defense and meet with them in doing fact-finding and keeping up to speed on what they were doing. So I hope that gives you a little bit of a sense of how we went about our work.

With that overview I'll try and touch on some of our recommendations, and I won't spend a lot of time on them since I get the sense that you all have had the chance to read my written statement, and I hope that in the Q&A period we can talk about some of them in more details, and perhaps I can try and address some of the questions that were raised with Governor Minner.

One of our major findings, which is one, frankly, that I think was very similar to one of your findings in your interim report, was that we firmly believe that the demand for military forces in the future will remain quite high – not necessarily, frankly, at the level that it is today, with operations in Iraq and Afghanistan, but we do see the demand staying substantially higher going forward than it did before the September 11<sup>th</sup> attacks, and I think this will really drive a lot of the recommendations that we have for the reserve component.

Not only will the military need to be prepared and ready to deal with future requirements that we can almost identify now – i.e., the continued need to have forces at some level in Iraq and Afghanistan and places like the former Yugoslavia – but I think, you know, of course the military will have to be prepared, as it always has been, for unforeseen events that may happen overseas that the United States has to respond to, and I think, you know, something that's a little bit different since 9/11; I think the military will increasingly need to be prepared to deal with catastrophic events here at home, and obviously the guard and reserves have a role to play there.

Springing off of that finding, one of our recommendations is that the reserve component as a whole remain multi-mission capable, but place less emphasis than it has in the past on conventional campaigns. And there are really two reasons for this. One, in our view because of the complexity of the future security environment, and because we believe that the active force is going to have to work hand-in-glove with the reserve component in the future, we think the reserve component forces need to be able to perform a wide variety of missions. We don't favor taking a part of the reserve component and focusing it exclusively on one or two missions. We just don't see that as feasible.

That said, as the 2006 QDR indicated, the entire military really needs to start broadening its focus, if you will, beyond traditional challenges to looking at things like irregular warfare, to looking at catastrophic challenges, and we believe that that is true for

the guard and reserve as well. Historically there's been a lot of focus on the big war and we think this needs to change. We'd like to see the reserve component place more emphasis, both in terms of force structure but also training and just sort of mindset, on things like stability operations and civil support in the homeland security context.

Another finding of ours that I think is very significant is the fact that in our minds, using the reserve component as part of the operational force is a mandatory step at this point for the Department of Defense. It's not a choice. I think that seems much more obvious frankly now than it did when we started our study. We had a lot of debate initially about, you know, strategic reserve versus operational reserve; is it going to work? And ultimately when we looked at the security environment, we – and we looked at the size of the active military and the various constraints on DOD, we came to the conclusion that frankly this is just a non-optional function for DOD. But at the same time making that transition to using the reserve component as part of the operational force is not a risk-free endeavor. It's not going to be easy and we need to be very attentive to making that transition successfully.

Related to both that issue and the issue of future demand, we believe that the Army as a whole needs more combat structure, not less. Frankly, we were more comfortable with the initial Army plan that held through most of the QDR to retain 43 active brigade combat teams and 34 guard combat teams. We would even favor over time, over the longer term, adding an additional four to five brigade combat teams on the active side to first provide more of a cushion, if you will, for the Army to meet requirements to surge without having to immediately break the force management policies, the rotation ratios of one in three for active and one in six for reserve component, but also frankly as a hedge against the risk that perhaps the transition to the operational reserve may not go as smoothly as we hoped. There are a lot of new elements to that plan and if one of those elements proves to need some adjustment, we'd like to have some flexibility. We'd like to see the Army have some flexibility to adjust to that.

Related to that, we very much think that DOD has got to fund the Army Force Generation model and the Army Reserve Expeditionary Force, which is essentially, as you know, the centerpiece of moving to an operational reserve – has got to fund that adequately to make the transition successful. And we are fairly concerned at this point that the concept, which we think is quite strong, is significantly under-resourced, even with the \$21 billion that DOD has put into the budget to try and cover that transition process.

From meeting with folks in the Pentagon, we believe that there's at least a \$13 billion shortfall for the Army Guard and Army Reserve over the next FDIP (ph) period to cover both the cost of re-setting some operations, modernize equipment from the history of tiered readiness, and frankly, funding modularity fully. We think there's a substantial shortfall there, that resources need to be identified to fill that. And frankly, the bill is probably bigger than \$13 billion, but there's at least agreement inside of the Pentagon, as we understand it, that the bill is at least that large.

Turning, frankly, from the issue of making the reserve component part of the operational force and looking at homeland security, we have a number of recommendations here and I'll just highlight a couple of them. One is really a recommendation for the department as a whole, but we think it has – it's the foundation and it has implications for the reserve component's role in this area. We believe that DOD has got to accept civil support, particularly in catastrophic events, as a central mission and act accordingly. In our view, DOD has held this mission at arm's length for quite some time, even in the wake of 9/11. It has struggled to define requirements for homeland defense and civil support. It has struggled to articulate exactly what the role of the guard and reserve component will be. And in our view, if protecting the homeland is really the top priority for the nation, DOD has got to step beyond this mindset and begin planning, programming and budgeting for civil support in a serious way. And part of this includes figuring out what the role of the reserve component is in this area and providing the training and equipment that they need to do their mission.

I think it was Commissioner Dawson who alluded to one of our recommendations, which is to leverage the National Guard as part of a backbone for what we call regional civil support forces. And we looked at this area in some depth well before Hurricane Katrina, but Katrina really highlighted that the nation is not yet prepared to respond effectively to a catastrophic event, particularly one for which we have no warning. I mean, we were somewhat fortunate, frankly, in Katrina in that we did have advance warning of the event.

In our view the National Guard, particularly with the state joint force headquarters, provides an existing infrastructure that you can build on that, very importantly, already reports to the state governors, which we think is a key issue. We think that whatever organizational construct DOD uses in the future needs to work with, as opposed to fight against, the federal construct of our nation, which is that we have 54 states and territories run by governors. What we'd like to do, what we think is missing right now is a lot of regional planning, training and exercising. There's some of it going on. It's going on in a somewhat ad hoc basis and those regional efforts are stronger, from what we've seen, in some areas than others.

We would like to take one of the existing state joint force headquarters in each of the 10 FEMA regions and dual-hat it, basically plus it up with some additional people who would focus in a very serious way on regional, planning, training and exercising. This headquarters would not be a separate headquarters. The governor that owns that state would own that headquarters. It would not be an additional layer. It would not be someone that Governor Minner would have to call and say, mother, may I. It would be organic to the state and would really just perform a coordination function. But a couple of things that are different is we would like to see that headquarters work with all of the different stakeholders at the state, local and federal level to try and bring all those different parties together and coordinate their efforts.

We also would want to see some operational units associated with this headquarters, have them be on a more rapid response tether than most of the National Guard is on right now, maybe a 24 hour to 48 hour response, so that – and those units would be drawn from the whole region, which is a way of trying not to break the rotation base. And if there were an event that happened, the governors that owned those different units could agree to send those – those units to the state that had been most hit. They would retain, however, the right to say no. I mean, I think our hope would be that there would be enough state guard in each state that the governors would feel they could do both, and one piece of their guard ought to help and keep the rest. But by no means would our construct take away I think from the governors' authority.

One last key feature I think of this recommendation is that these units that would make up the civil support force would come from Army guard units primarily, in the third year of the force generation cycle, and they would be fenced just to do this mission during that year. The people and their equipment could not go overseas during that year, which is a departure from what we have today. It's a way, we think, of trying to ensure that there's actual capability that's there. At the same time, the people that make up that unit could then proceed in the next year through the rest of the cycle. We're not saying these people will forever more focus on homeland security. We're saying for one year of the six they will, and then they'll go on and in the sixth year they'll be able to go overseas, just as they can today. So I'll stop there, and happy to take more questions on that.

We also have some recommendations on recruiting and retention, a whole host of them, but some of the highlights are we'd like to see all of the reserve component look at offering a two-year protection for people coming out of the active duty who want to join the guard and reserve, to try and keep that flow of prior service forces coming. We would like to shield college students from mobilization while they're in school in exchange for a longer service obligation. We think that would help the department look at the college market. We also would like to see all members of the reserve component who have permanent residency be eligible for accelerated citizenship. We think that would help recruiting.

On the retention side, a major thing we think would be useful would be working with DOD to try and limit tours overseas to a year or less, and that includes post-mob training and de-mob. That we think is really key. We would also like to make education benefits for reserve component members transferable to spouses as a way to help keep spouses incentivized about participation in the reserve component. We've seen in a lot of survey data that spousal support is critical, and lately there are some times that it's eroding because of the long tours and the frequent tours.

We also believe DOD needs to have a more flexible system to utilize and access the reserve component, and key to that in our minds is establishing integrated pay and personnel systems between AC and RC at the service level. The Marines are doing this. I'm sure Chairman Punaro is well aware of that. The Navy is looking hard at the Marine system. We'd like to see everybody, maybe – perhaps DIMERS (ph) – we're biting off

more than we can chew and perhaps it's appropriate to step back and just focus on the service level.

We also were very supportive of the notion of DOD signing contracts with reserve component members who are interested in serving more frequently, or for longer tours, or who can be mobilized with less notice. OSD calls this variable participation of reserves. We think this is a great concept and should be explored. We even think people should perhaps get additional compensation in exchange for participating in this kind of a contractual arrangement.

Our last major recommendation that I'll touch on here speaks to some of the social compact issues. As you all know, Congress has expanded TRICARE Reserve Select to be available now for all members of the reserve component. We believe that it would be useful to not expand that benefit further at this time, because frankly there is not a lot of data that shows what the linkage is between further expansion of those benefits and recruiting, retention and medical readiness. It's quite a costly part of the benefits package, and in our view, DOD should really try and collect more data to see whether that's in fact the most – the place where you get the most bang for your buck in terms of expanding benefits.

Similarly, on the retirement side, we believe it makes sense to continue to have the retirement system be that folks collect their annuity at age 60 rather than lowering the retirement age, for similar reasons. Making a change would be very costly and it's not clear that it would provide substantial benefit in terms of recruiting and retention. And I would just note that the Defense Advisory Commission on Military Compensation made a similar recommendation I think last week.

So that's I hope just some of our highlights. Thank you again very much for the opportunity to speak with you, and I would welcome your questions.

MR. PUNARO: Thank you very much. As I expected, it certainly will live up to the expectations and we certainly look forward to the full report when it's available.

With Commissioner Lewis' indulgence, I'm going to let Commissioner Dawson go first because he has some scheduling issues. So Commissioner Dawson.

MR. DAWSON: Welcome, and thank you for appearing today. And I've read your testimony and it comes up to the usual standards that's expected of the CSIS work, and I look forward to reading the full report when it's available. And what impresses me about it is that it's just chock-full of all kinds of good, fresh approaches that this commission really needs to take a sharp look at. So thank you for doing all that work and making our life a little easier.

Now, as to the question I asked, obviously a little clumsily from your point of view, of Governor Minner – and I guess the foundation of that seems to be a concern about the ad hoc nature of the planning process and the integration that you think now

exists, or the lack of integration. And I have a very simple question to kind of ease her mind, is have you talked to the Governors Association about that recommendation? And if so, what did they say?

MS. WORMUTH: We have not – we had a member from the National Governors Association participate in our working group. We were not able to speak directly to governors. We did have two current adjutant generals participate in our process, and I think they – you know, they certainly helped us understand the governors' perspective. I think when we're able to talk about the concept and explain it to people, I think we're able to ameliorate people's concerns about this is not a concept that would take authority away from the governor. This is not an effort to try and create an additional layer for governors to go through. It's really an attempt to try and bring together existing capabilities and existing assets and help integrate them and coordinate them and really sort of try and act as something more of sort of a force multiplier.

I think part of what we see as missing today is to the extent that there are forces on standing alert, if you will, to deal with these types of events, they generally are not the same people from month to month. There's sort of, you know – the way it tends to be handled is, there are obviously these great new units like the CBRNE Enhanced Response Force Packages, but those people under the current system can be deployed overseas at any given time. So while some folks in those units may know the other stakeholders, may have relationships with the Delaware Department of Public Health and so on, if they get deployed to Iraq and something terrible happens the next week, the people who are filling that – you know, filling the CERFP, don't real know those people any more.

So part of what we were trying to do was help create a structure that would allow for at least a year at a time to have the same people and to help start building those relationships on a more permanent basis, as well as building them across the regions, which we see as really important.

And I would certainly agree, Governor Minner – we have certainly found in our research that some regions are doing quite a bit of regional integration on their own, but other regions aren't frankly, and I think, you know, what we're trying to do is bring a little bit of standardization across the country in this area.

MR. DAWSON: Thank you. That's a very helpful answer. It would be also helpful, I guess, offline to get your insight into where you think it works and where it doesn't work.

Now let me shift gears and ask a couple of questions about funding. One of the issues that in our early days here that we have tried to get at is the relative cost of the guard versus the active duty forces, and I think I can quote from General Blum, or at least paraphrase, that he thinks that it's far cheaper to rely on the guard, whose typical soldier is on full-time duty 45 to 53 days a year and costs \$13,275 annually, than a full-time soldier, who costs \$130,000 a year. Have you done any work trying to get apples-and-apples comparison cost analysts on that?

MS. WORMUTH: I will be completely candid with you, sir. No, we have not done detailed cost analysis.

MR. DAWSON: Rats.

MS. WORMUTH: Exactly. But frankly, part of the reason we have not done that is it's an extremely difficult problem and to even have a chance of getting started you have to have access to the data. And you know, as an outside sort of unofficial think tank study, we frankly just didn't have the mechanism, if you will, to be able to get that kind of detailed cost data to try and do costing analysis that would be viewed as credible.

Now, that said, I can tell you we certainly tried to look at the cost issue and educate ourselves, and in view this is an area that is highly and hotly contested. I mean, I've spoken with General Blum; I'm well aware of his view on the cost benefit relationship. OSD Reserve Affairs has done a lot of work looking at this for Secretary Rumsfeld and has come to very different conclusions, frankly, about the relative cost of active duty versus reserve component members. I mean, it all depends on whether you factor in the retired accruals and this, that, and the other.

At the end of the day – I don't know if this is helpful for you all, but you know, I suspect at the end of the day, just through common sense, even if you factor in the fact that you use active duty forces twice as often under this new system as you use reserve component forces, there still probably is some cost advantage, if you will, to the reserve component. But I think the key issue is what is the delta? Is the reserve component 20 or 30 percent cheaper or is it 50 percent cheaper? Because I think some in the department would argue that if the cost differential is 20 to 30 percent, it may be worth it to DOD to invest on the active side because, just frankly, the access to active forces is simpler and they can be, you know, put into the fight that much more quickly.

I think that how much you're willing to pay for that is really the key, and I think, you know – I don't know what your plans are, but if you all can get access to that data, it would be a terrific – it would be a terrific problem to shine light on. But it was just frankly beyond our resources in the effort, in trying to do it in detail.

MR. DAWSON: Of course what would make it even more complicated as you would have to look at the qualitative factors as well, the training, the capability and the performance readiness of either the individual or the unit.

MS. WORMUTH: Absolutely.

MR. DAWSON: You also talk in your statement about integrating the guard and reserve better into the PPBS process. I have had the great blessing of never having to be involved with the PPBS process, but I wondered if you had some insights that you might want to share with us about how we get a better understanding of how that process works, how you think it works today, what you think its deficiencies are, and how it might be

improved, and also – to make that question a little harder – whether you think the current funding levels are either appropriate or sustainable.

MS. WORMUTH: I think I'll take the second question first. I think we feel that the guard and reserves right now, particularly the Army Guard and Army Reserves, are under-funded, given what is envisioned for them in the future. As I said, I think we think there's at least a \$13 billion unfunded requirement, and it's probably more. And –

MR. DAWSON: That's the five-year defense plan?

MS. WORMUTH: Yes, exactly, across the FDIP. And again, I think we see that as a critical problem because the – you know, on the one hand we believe it is a truism, if you will, that the active side has got to rely on the reserve component side to get the job done, but the only way the reserve component can do its job is if it has the resources. So we see the need to find resources for the reserve component as a critical issue. And we would argue frankly that if that means looking at adjusting the allocations inside of the DOD budget then let's do that. And I think there's an argument to be made that given that we're a nation at war and we're going to be engaged in a long war, it may be appropriate to look at the overall DOD top line. Those are issues that frankly are really beyond the scope of our study, but we absolutely believe there need to be more resources.

Now, as to how the guard and reserve component gets those resources inside of the PPBE process, I think this, you know, quickly comes to the standing legislation about making the chief of the National Guard Bureau a four-star. We do not favor making the chief of the National Guard Bureau a four-star, for a number of reasons, one of which is that we believe it would send the signal that the National Guard in particular is a fifth service, and in large part it is a part of the federal Army and Air Force. And we think that doing that would actually make integration more difficult as opposed to making it easier. But that's related to the funding issue.

I mean, I think we do have concerns about whether the resource issues for the reserve component are being sufficiently addressed inside the department. But our view is that the mechanisms to make sure that the guard and reserves have a voice are in place. It's a question of do the senior leaders of DOD use those mechanisms in every case the way they should? I mean, as you all know, the National Guard in particular, because of its relationship to the governors, has a tremendous amount of influence on the back end of the budget process here on Capitol Hill, and you know, I think most secretaries of Defense and deputies and service chiefs would much rather sort out those sticky resource problems inside their own house than having them play out here on Capitol Hill.

So our view is to remind the leadership of DOD that it really – it's in its own interest to try and address those problems inside the building, inside the PPBS process rather than keeping important players out of those key discussions and then having it become a major issue here on Capitol Hill. So I think also, frankly, the move towards making the reserve component more part of the operational force will, again, increase the



voice that they have because it will be in the total interest of the total Army to make sure that those resource issues are being addressed better perhaps than they have in the past.

MR. DAWSON: Thank you. As the chairman noted, I had a previously scheduled commitment that I have to depart for. I really thank you for your time and testimony and look forward to reading your report and having a very collaborative relationship with CSIS. Thank you.

MR. PUNARO: And I tell Commissioner Dawson on the funding issue, we are delighted that he's chairman of our subcommittee on funding analysis. Rhett, I can tell you there are no troops behind you because, as Christine has pointed out, we've gone to the GAO, we've gone to the CBO, we've gone to DOD and we've talked to them about can we get them apples to apples and can we get some of these qualitative dimensions in there, and they all kind of say, holy smokes, this is really hard; could we kind of beg off; maybe somebody else could do it. So we're going to continue to pursue getting some help on that because I think it is critically important to understand, you know, what kind of investments are required and what kind of return do you get on that investment. It's been traditional that the guard and reserve has been considered a real bang for the buck for the taxpayer. To me that's kind of a rebuttable presumption, that the analysis would have to show whether that's accurate or not.

With you leading this, Commissioner Dawson, I'm certain with the able help of Commissioner Ball up here, exceeding experience in these matters, I know you're going to get to the bottom of all this. Because of that leadership we're going to let you be excused to meet your previous schedule.

Commissioner Lewis.

MS. LEWIS: Thank you, Mr. Chairman. Thank you for being here this morning. I'm just so pleased with all the work that CSIS has done on these issues. There are so many things that we're trying to grapple with and your work has certainly given us some direction and perspective and has been extremely helpful. So thank you for the work and for coming to share with us here today.

I believe that the CSIS review of the operational reserve has led to the conclusion that the concept is going to require increased training, more full-time support and more equipment. What do you envision the impact on the reserve components of the training requirements beyond the current 39 days per year, and how will you – how will this impact the propensity to serve in the reserve component?

MS. WORMUTH: Well, we have a couple of issues here, and I think, one, as we understand it, the plan is to try and for most of the ARFORGEN cycle, reservists will continue to drill 39 days a years, but I believe in sort of years four and five they will add an additional week of individual training and then an additional week of annual training. So by years four and five you're looking at sort of three to four weeks of annual training,

in addition to two to three weeks of individual training, which is already a substantial increase.

I think our concern is, given the time it takes today to, once people are called up, there's a considerable amount of time, as you all know, spent in post-mobilization training before folks go overseas. Now, a lot of this today is time spent getting acclimated to the new equipment that they haven't had for so long, and ostensibly under the modularity plan and under the re-set (ph) plan, some of that new equipment will come into units. So some of that delta between how long it takes post-mob today and how long it will take in the future will shrink down. But our concern is, is it going to shrink down so much that essentially three to four weeks of annual training plus two to three weeks of individual training is going to be enough to have people ready to deploy immediately overseas.

As we understand it, even under ARFORGEN, the Army anticipates doing some post-mobilization training, although it's not clear to me, frankly, exactly how much. I think there are issues looking at people's propensity to serve, and our view is that we have the sense that perhaps part of the reason that there isn't a considerable amount of additional training built into ARFORGEN is probably out of concern that if you ask people to train, you know, two months a year people may not be able to do that.

So our view is, you know, A, it's probably worth trying to do a little more analysis to see sort of what is the tipping point in which, you know, how much additional training can people accommodate in their lives as citizen soldiers, and if there's still going to be some training then that's needed in the post-mob period, that DOD needs to factor that in as it looks at deployment lengths. I think there's a tension right now that's going to have to be sorted out between the theater commanders who really want ground forces to be in-country for a full 12 months and what, you know, personnel people are worried about, which is if you've got people doing boots on the ground for 12 months, plus maybe 45 days of post-mob training and de-mob, then you're looking at long tours.

So our view is we really would like to see DOD find a way to shorten the overseas tours, to work with theater commanders, to help perhaps get that down to nine months or even six months so that if there is a need to do additional training beyond what's envisioned in ARFORGEN, it can still be done and have people complete the whole process within 12 months. Because we do think, you know, there is a breaking point at which past people are not going to want to sign up in the numbers that they have to date.

MS. LEWIS: That's very helpful. I'd like to talk a little bit about benefits, and I recognize that this report does not propose an expansion of TRICARE or retirement benefits for the reserve components. How important do you view the health benefit as being, as a recruiting and retention incentive?

MS. WORMUTH: I think we view it as quite important, perhaps even more important on the retention side than on the recruiting side. But at the same time I think,

you know, we also are of the view that at this point in time Congress has moved, you know, substantially in the past couple of years to make that benefit to everyone now in the reserve component and the selective reserve has access to TRICARE. It's just a question of, you know, what premium are you going to be paying. And I think many analysts would say that TRICARE right now is a fairly attractive health care system as compared to, you know, I'm lucky, I have federal Blue Cross-Blue Shield, which is pretty good, but I think I still probably pay considerably more in terms of premiums than folks do on TRICARE.

So I think we think it's a very important part of the benefit package. We also think it's a very good benefit at this point in time. We also recognize that it's a costly benefit for DOD, and expanding it further will obviously bring even greater costs. For example, we uncovered that I think today the cost of the overall military health care benefit for DOD is something like \$30 billion, and by 2010 it's going to be \$50 billion. And I think it's important to remember sometimes that every dollar DOD spends on further expanding TRICARE reserve select is a dollar it isn't spending on equipment, it's a dollar it isn't spending on training. And in our minds the social compact is really a trifecta of are – we owe our reserve components not just compensation and benefits to reflect their service but also we owe it to them to equip them and train them to perform their mission. I think those three things are all important. And right now, you know, we are in a situation where we're taking money – we're spending it just on health care. We're not spending it in the other two areas.

MS. LEWIS: I think that's an important point to recognize, that one of the parameters of your study did consider those tradeoffs, and I think we often lose sight of that framework and those tradeoffs when we look at the individual pieces. So I commend you for bringing that to our attention.

Along those lines, though, do you envision any changes in recruiting or compensation bonuses or benefits in order to maintain an all-volunteer force, or do you think that we can continue to do that with the packages that we currently have? Are we going to have to look at anything differently as it becomes harder to compete for this limited pool of resources that we have?

MS. WORMUTH: I definitely think we think that changes are going to have to be made, and that manning and sustaining the operational reserve is going to be more challenging than manning and sustaining the strategic reserve. We try to look at both monetary and non-monetary recruiting and retention initiatives, if you will. On the monetary side, I think we – the department, as you all know, has already begun using bonuses in a very targeted way to try and attract people in particular specialties, or retain people in particular specialties. We applaud that use of targeted bonuses and we would encourage that to continue.

We would like to see the service secretaries empowered to use compensation in a more flexible way. I mean, for example, we, as I said we're very attracted to this idea of for those people who believe they can serve more than once every six years, or who can

serve with only five days notice as opposed to 30 days notice, those people would sign additional contracts, if you will, above and beyond their basic contract. Or they would say, hey, I agree to serve, you know, above and beyond. And in exchange for that we think it would be appropriate to at least consider monetary compensation for those people – some sort of an affiliation bonus, if you will, because I think particularly the Air Force, for example, that's relied heavily on volunteers to provide the AES in areas particularly like C-130s and JSTARS, you know, it eventually – it's not clear how long that volunteerism will continue, and a concept like this variable participation of reserves I think would help and could also be a useful recruiting and retention tool. On the non-monetary side, you know, we do think for recruiting offering protection for prior service, or shielding college students, for example, and the accelerated citizenship. Those are non-monetary ways that we think would probably help the department in the recruiting challenge.

Frankly – I didn't highlight this in my testimony, but we also think it would be useful for the president and senior leaders of our country and members of Congress and governors to make an explicit call for national service, be it in the military or in other ways. The military has to some extent carried the burden on its own of explicitly asking people to join the military, and we think particularly given this new era that the country has entered into, it would be appropriate to have a larger emphasis of all of our nation's leaders on calling on Americans to serve and share the sacrifice, frankly, of the active duty military and the members of the reserve component.

MS. LEWIS: I could ask you many more questions but I think my time has expired and I certainly appreciate your creative and innovative thought in this work. Thank you.

MR. PUNARO: Thank you. Commissioner Ball.

MR. BALL: Thank you, Mr. Chairman. Let me go back to the \$13 billion shortfall for a moment. You mentioned a few of the categories within that \$13 billion. I wonder if you could just comment on the methodology you used in assembling that number, and if you can break it down between the re-setting of readiness levels for returning troops, the ongoing modernization programs, and then you mentioned the training, you mentioned that shortfall as well.

MS. WORMUTH: Yes, I'd be happy to break it down for you to the extent that I can. We came to those numbers, frankly, by meeting with Army Guard, Army Reserve and active Army staffs, and to the extent that I can break down the \$13 billion, \$7 billion of it is a shortfall for the Army Guard. And as we understand it – I can't break this down within the \$7 billion but what that \$7 billion – excuse me, is needed for is primarily to both reset equipment from ongoing operations and fund the last 10 multifunctional support brigades that are envisioned under the modularity plan. So it's sort of a mix of reset and modularity.

The rest of the \$13 billion is \$6 billion for the Army Reserve and almost all of that, as we understood it, was to modernize existing Army Reserve equipment, essentially to get past the legacy of tiered readiness. So that's the degree of the breakdown I can give you.

MR. BALL: It's difficult to draw connections then between those undertakings and the operational reserve nature of current operations as opposed to strategic reserve. But you could draw some conclusions there that certain – certain of the – certain costs of the 13 (billion) were driven by the operational reserve and the facts of life dealing with –

MS. WORMUTH: I would argue that they're heavily driven by using the reserve component as an operational reserve, both because, A, it reflects obviously the current use of reserve forces over in Iraq and Afghanistan, and it also – it also reflects, looking forward, the department's recognition that it is going to be using the reserve component as part of an operational force for the foreseeable future, and hence needs to make the investment in bringing that equipment up to levels much closer to the active duty.

I did want to say – I thought of this while you were talking. As we understand it, the additional costs for training, the training days that are envisioned under the ARFORGEN model, are not covered in the \$21 billion that's currently in the FDIP. Nor frankly are they part of that \$13 billion estimate. So we were not able to get a dollar figure that's associated with those training days, but as we understand it, that is frankly right now an unfunded requirement, as is the need – to the degree that we need to have additional full-time support to make all of that enhanced training happen, that right now is also not included in the \$21 billion or the \$13 billion.

MR. BALL: That was going to be my next question, on the training component of that.

You reference in your prepared statement and in your verbal statement the risks, of perhaps uncharted risks here in this shift to an operational reserve, but I just wanted to make the point, you've also quantified certain of these costs, which we have not been able to get quantification on from the various agencies that do cost accounting for the department. But a major portion, if not the majority of those funds, are key to the realities of an operational reserve. I think that's just an important note for us as we do our own analysis.

I want to go to the total force implications, backing off of that a little bit, of this new operational construct for our guard and reserve components and are there, in your analysis new efficiencies or certain models for increased efficiencies in the total force in this balance of structure between the active and reserve components that have heretofore been overlooked?

MS. WORMUTH: This is another – like the cost issue, this is another very complicated question that's hard to get at when you're on the outside. We suspect there are efficiencies that could be achieved. We spent quite a bit of time trying to understand

the rebalancing process that's been ongoing, and I think a lot of good work has happened there. One of our recommendations is that an outside panel, like yourselves or another panel, try and do a detailed assessment of active and reserve manpower requirements, sort of by mission area, at least by service, and ideally perhaps looking across services.

We were favorably impressed. The Navy, I think starting in 2003 or 2004, did what is called a zero-based review, where they literally went mission by mission and said, you know, how many active folks do we need to do this job, and how many reserve folks do we need to do this job. And they used criteria that were a lot of times, you know, touched on issues of the relative deployability of the two groups. They were not – they either were not or did not look at the cost issue, which we think should be an important part of that type of analysis. But we think it would be useful to use a model similar to what the Navy did, and try and apply that across all of the services to really see if there are efficiencies.

We're also of the view, and this is something Dr. Hamre feels very strongly about, that there are probably whole processes in DOD that we could do different, you know. He really thinks we should try and look to the private sector companies, like Walmart, and try and adopt some of their supply-side systems. And I think we recommend that the – the Defense Science Board recommended last year that DOD conduct a comprehensive audit of all of its manpower, active, reserve, civilian, contractor, just to try and get a handle on, whoops, who is there and who's doing what.

We think DOD should absolutely do that audit, but also use that audit as an opportunity to look at its systems and say, hey, are there whole processes that we do that maybe we could do completely differently, or maybe we could do using technology rather than human beings. So that is something – we think there's goodness there but we're not able to do a detailed analysis to identify the specific places where the goodness is.

MR. BALL: Well, thank you. One last question on that point. You spoke earlier of one notion of building on the National Guard organization in each of the 10 FEMA regions to sort of, as I took it, decentralize some of the decision-making that is not as regionally or locally coordinated as it perhaps should be. Was that a command and control-driven notion in your student, or is that itself an opportunity for greater efficiency and putting certain coordination decisions in the homeland defense function closer to the region where the emergency occurs?

MS. WORMUTH: I think in our view it was an effort to try and – we see the focus on regional scenarios as a gap right now. You know, most of the exercising and training tends to happen either at the state level, where many states have very robust programs, or at the federal level, where you have things like top-off of the various exercises that DOD runs. And in fact, in reality some of these catastrophic events are going to be regional, you know, as we saw in Katrina. But there are many other types of events.

So our view is that there needed to be more coordination of the regional players. There needed to be a much better understanding of what assets are available in the regions. So it was an effort not so much to develop new command and control structures but rather to sort of help the people who are in charge of those assets have a better sense of what they have and what they might need to do in an event when something happened. I mean, we did try and design it so that it would be flexible and it would be able to work under title 32 and be under the control of the state governor, or in those, I think, relatively rare scenarios where the president might choose to federalize and go to title 10, the regional civil support forces we envision could be chopped to be under NORTHCOM if the president wanted to cross that threshold. But generally we view it as something that would be controlled at the state level.

MR. BALL: So not driven by cost but rather by operational effectiveness?

MS. WORMUTH: Exactly. It was much more operational effectiveness.

MR. BALL: Thank you, Mr. Chairman.

MR. PUNARO: Commissioner McKinnon.

MR. MCKINNON: Ms. Wormuth, I am really impressed with your knowledge and articulateness –

MS. WORMUTH: Thank you.

MR. MCKINNON: – of the subject here. But let me just go through a little bit of your testimony here, and let's get down in the weeds a little bit and try to get a little more specific on some issues here. In the first place you talk about increasing four to five combat battalions. How would you propose doing that? They're sort of maxed out just trying to reach what they can do today, so what are you going to do that's different to do that?

MS. WORMUTH: A couple of things. We would agree with you fully that from both a resource and a recruiting perspective we're challenged to get to what we need to with just 42. That's why I think we set it as a stretch goal, if you will, that over time we believe you could recruit the manpower to fill an additional four to five BCT's. We also, however, think that rather than viewing it as a net increase in Army end-strength, we would encourage the Army to try and look within its existing end-strength and see, frankly, as it has through the rebalancing process, whether some of those spaces might be freed up.

For example, as you know many of the field artillery units have been converted into other functions like military police, et cetera. We would encourage the Army to look and see, are there additional units perhaps on the CS or CSS side that could be converted, either perhaps by having contractors perform those functions. So some of that additional growth we think might be able to be accomplished by existing end-strength and retraining

people. But some of that would be flat out new recruiting, and that's why we think it would have to be a stretch goal.

But I think we tried to approach it holistically, and our view is that if DOD in an ideal world were to follow through on all of our recommendations, we think recruiting and retention might get a little bit easier.

MR. MCKINNON: Do you think the other side of that issue of course is funding, and we're got, what, about 3.9 percent of the GDP involved with the Defense Department. How would you convince the president or the population of this country to increase funding for defense then because you need the extra money to support these units?

MS. WORMUTH: Here I'm speaking very much for myself as opposed to the guard and reserve study team as a whole because we don't frankly have – we all agree that the Army needs more money. We don't necessarily agree on where that money would come from.

I would argue first that DOD needs to look seriously at the allocation of funding among the services, and perhaps make some changes there. I don't by any means suggest that those tradeoffs are easy, but I think the Army has been asked and will continue to be asked to do a considerable amount, and adjusting its slice of the pie may be appropriate.

Looking behind the DOD budget, in my view I'm always struck when I talk to my friends from back home in Texas or other places in the country. On the one hand we have the rhetoric of we are a nation at war, but my personal sense is that Washington is at war, the active military is at war. I'm not sure the country sometimes feels that it's at war. And I think there's actually a real education process that needs to happen to help the American public understand the gravity of the security threats that we're facing. And I think if you were – I think it would be very healthy to have a national debate where we could really talk about what are the – what is the level of threat and is it serious. And I believe if you had that dialogue it might be easier to convince Americans that these are investments that need to be made.

MR. MCKINNON: The Congress is going to have a debate tonight and tomorrow on some of that issue. You go on to say here, provide a hedge against risk if the transition to more operational Army Guard and Reserve does not go as smoothly as planned.

MS. WORMUTH: What the heck do I mean by that?

MR. MCKINNON: I wonder if the guard and reserve guys would take umbrage to that. They think they're probably pretty well organized.

MS. WORMUTH: I'm by no means trying to say that they're not well organized, and I think we're very well aware that, you know, the Army Reserve and the Army Guard



have been functioning for the last few years as part of the operational force. What we're – but I think that it's been putting pressure on them and there's been, you know, all of the cross leveling of the units that's had to be done in terms of personnel and in terms of equipment. What we're saying is if DOD does not follow through on, for example, funding all of the equipment that's called for under modularity and re-setting, down the road it will get harder and harder to generate those units over time because this cross-leveling process is generating a lot of negative consequences. So that's one example of a risk that we're talking about. It's not by – you know, I think the guard and reserve have done an amazing job of answering the call and answering a call that is a new requirement than what they've had in the past.

But what we're also seeing in terms of risks is this whole notion of moving to a one in six or even a one in five-year rotation is really a new paradigm that has not been tested. I mean, DOD has done surveys to ask reserve component members, do you think you could serve once every six years, but we haven't actually tested it in real life, and I think what we're trying to say is, if it turns out that one in six is still too many, we may have to make an adjustment. And again, those are the types of adjustments we would like to see DOD have a little more breathing room to adjust to.

MR. MCKINNON: Of course you could argue if you – you'd have to increase your manpower since you're maxed out pretty much now, to be able to extend that when you've got the problem of – same thing about reducing the year's service overseas to a lesser number of figures.

On your regional deal, I think the governor earlier today made some interesting observations on it. But why shouldn't NORTHCOM be the person – or the entity that does that? Why do you need a separate sort of organization divided up to oversee the governors and their guards and reserves?

MS. WORMUTH: Two things —

MR. MCKINNON: Why not just have NORTHCOM take charge of that, instead of having a whole different infrastructure?

MS. WORMUTH: Two things. One, in our view these forces would be very well coordinated with NORTHCOM, and frankly we think they would help strengthen the coordination between NORTHCOM and the National Guard community and the state community. We don't see this as creating a new organization, if you will. It's essentially taking what's already there and just tying it together in a different way. So I think one of our operating assumptions is that wherever possible it is useful to vest these capabilities firmly in the state context and firmly working for governors because in our view, in many cases the response will probably be led by governors.

So we'd like to see the civil support forces coordinate intensively with NORTHCOM, but for most of their business, in our view, they would be working with state governors and state entities. As I said, you know, if the president were to decide

that federalizing a response in a particular catastrophe was necessary, these forces could chop under the command of NORTHCOM and work with them and they would be fully prepared to do that because they would coordinate with them on a regular basis. But we would like to place the emphasis, if you will, on the states rather than – particularly in the guard context. It's fully appropriate for NORTHCOM to have control over the active forces. But to the extent that NORTHCOM uses the guard, we would much rather see the guard be sort of grounded in the states and have a coordinating relationship with NORTHCOM rather than grounded in NORTHCOM and having a coordinating relationship with the states.

MR. MCKINNON: We're looking at it, of course.

You talked about – one thing in combat is everybody recognizes unit integrity is very important. You go together, you fight together, you train together. And if you talk about offering reserve components sort of a two-year free period of not going to combat or doing anything in a reserve unit, how do you maintain that kind of unit integrity?

MS. WORMUTH: In our view, the entire shift to using the reserve component as part of the operational force is going to require – it's going to be a much more management intensive approach across the board. And because of that – I mean, just trying to keep track of which units are in which piece of the cycle and making sure that everyone's getting trained and recruiting into those units, in our view there's going to be a – have to be a lot of thinking about, well, when you get a new recruit you can't put them in a unit that is in year five of the cycle because they won't have time to get trained up, et cetera. So that's already going to be happening.

I would agree with you that unit cohesion is very important and if you shield people in college or shield people coming out of active duty, they're not going to be available. But what we would envision is a process where those people would try and be placed in units that are in the back end of the cycle, if you will, so that they wouldn't really be eligible for mobilization during that two years in any case.

It is going to be more complicated, but in our view, and I think the Army would agree, using the whole ARFORGEN cycle is going to be more management-intensive than the old system.

MR. MCKINNON: It looks like my time is up, but let me just jump in one more, the DIMERS deal. You think they ought to junk it?

MS. WORMUTH: The way I hear it, they sort of already junked it anyway, but I think it should be devolved to a service level approach and, you know, I think the Army's been told sort of take what you can from DIMERS and try and work with it. And we think that certainly they should abandon trying to generate a joint service – you know, a joint DOD-wide system and just focus on Marines, maybe Department of the Navy, Air Force, Army, and try and get that done by 2008. Then if by 2010 they can knit it all together, terrific. But we're of the view of crawl, walk, run rather than be born and run.

MR. MCKINNON: Thank you very much for your comments.

MR. PUNARO: Commissioner Stump, please.

MR. STUMP: Good morning. On the ARFORGEN model, you've brought up some serious funding questions. But in my recollection this is the third time we've tried this. We had to round out brigades in the early 90's. Desert Storm came and they didn't take the round out brigades with the active Army units. Then we had the enhanced brigades and there were some problems there and some with the recruiting retention, the extra funding and so forth.

During your study have you gone back and looked at lessons learned to apply what went wrong or what went right during those two exercises, to see what could go right in the ARFORGEN model, to where we get these four brigade combat teams ready to go by year six? Because we've been through it twice already, and I don't think very successfully.

MS. WORMUTH: Sir, we didn't do a lessons learned of those past efforts in a very comprehensive or structured way, in all candor. I think we did try and go back and look at those experiences and see what could be learned. In our mind I think the biggest difference between today and the future and the past vis-à-vis the round-about and the ESB's is the fact that now DOD doesn't have any choice but to rely on the reserve component, whereas in the past, frankly, it was somewhat more optional. And I think just literally the operational necessity is going to drive, and has driven, DOD and the Army in particular to lean on the reserve component in a way that it never has before. And I think, you know, they recognize that equipment is going to have to go along with that.

So I think it's not so much that the approach – the approaches of the past were not sound and the approach today is. To me what's changed is the fact that it's – it's not a choice any more.

MR. STUMP: I see. You come to the conclusion that I think the Army did before they got their budget, that you need 77 brigade combat teams, and obviously if we can get by with 70, and this all seems to be budget-driven. And your report says, well, you really do need the 77, plus four to five more. But what we're faced with and what the Army's faced with, the military faced with is that the top line isn't going to move. There's even a story that was out this week that the Army may have to take another whole division down.

Without the cost data, it would seem that in addition to the report – I think the report is great and I agree with almost all the recommendations in there, that we need this, but the reality is it's not there. So I think what we have to wrestle with with recommendations is, okay, how are we going to maintain this top line, and maintain maximum capability in our armed forces? To me that would look like maybe moving

some more things into the reserve component where it's more cost-effective, and taking some risk. But are you looking at – I guess you wouldn't be looking at because you're not looking at the cost differential between the reserve components and the active duty. But it looks to me like there should be some sort of a study to determine what's best for the nation with a given top line.

MS. WORMUTH: I think that kind of a study would be very useful. I mean, again, I think really DOD – and it's true that when you're in a think tank you have the luxury of not having to be respectful, or as respectful of fiscal realities as you do when you're, you know, the CEO of the Department of Defense, much less the president. But I think there are really three baskets of choices that the Army in particular has. One is to look within its own budget and see if it can make tradeoffs in a different way. And as you said, I saw the same report and it sounds like the Army now is looking at future combat systems, for example as a potential bill-payer.

I'm not an expert on FCS by any means. I think we don't think it's particularly healthy, frankly, for the debate inside the Army to pit the reserve component against Army transformation, or Army modernization. I think, you know, a healthy Army reserve component and a transformed Army with systems for the future are equally important for a healthy Army in the future. But you know, there may be some programs where you could take more risk. You know, then you move out to the next concentric circle, which is the DOD budget and the allocations among the services.

Again, I think there is a strong case for the Army to make that perhaps that allocation needs to change. Even a small change would translate into a large number of dollars when it comes to funding. And then going beyond that, again, there is the broader issue, and there are certainly those who would argue that at a time of war we're spending less on GDP – less on defense vis-à-vis GDP than we have. You know, those were really outside of our scope.

I think we took the view that it would be helpful if we could make the case that these are critical issues to the health of our Army, to the health of our all-volunteer force. They have got to be resourced and let's launch the debate about how best to do that. I think on the specific issue of the relative costs of AC versus RC, I think it really turns on the issue of how big is that cost differential because I would argue if the cost differential is relatively small, it's not clear to me necessarily that placing more in the reserve component is the right answer. If it's larger, that may well be the case, and again, we just weren't in the position to do that analysis.

But I can say OSD has done some analysis looking at trying to compare apples to apples at the request of Secretary Rumsfeld, and at least at one point they were of the view that actually reserve component people, when you factor in the benefits for health care and retirement, were not as – that the cost advantage was not nearly as large as it has been in the past. So it's an open question in my mind. I don't think it's a given that the cost differential is – you know, I don't take it as a given that for every one active duty you can buy five reserve component members.

MR. STUMP: One other question. The – there was considerable hiccups between NORTHCOM, National Guard Bureau, the state during Hurricane Katrina and Rita. Do you make any recommendations on changes to NORTHCOM or to National Guard Bureau or to the states on what we should do to make that a more smooth transition until we get the title 10 forces at NORTHCOM involved, et cetera?

MS. WORMUTH: Yes. We have a few recommendations here, and we see them sort of as a package. In our minds the regional – if you had a construct like the regional support forces, part of the role of that, part of the purpose of that would be to shore up coordination between NORTHCOM, ARNORTH and the states at a regional level. We also recommend that the deputy commander of NORTHCOM be made a guard general officer.

I think the guard is likely in particular to form the bulk of NORTHCOM's land forces in many a different event, and I think it makes perfect sense to me and to us to have a senior general officer from that community in the chain of command at NORTHCOM. I think that would build greater understanding at NORTHCOM of the guard capabilities, strengths, constraints. I think it would build greater comfort between the guard community and NORTHCOM. We think that the states, the tags would probably have greater confidence in NORTHCOM if they had one of their own. And this does not – you know, I would much rather see DOD do this of its own choice as opposed to seeing it legislated. And I also think it may be something that doesn't need to be permanent.

I mean, I look at EUCOM and PACOM. In the past for many, many years EUCOM was always led by an Army four-star and PACOM by a Navy four-star, and that was out of recognition that the Army was going to be most of what was there on the fields of Europe and the Navy and the Marines would be in Asia. I think – today those are both very mature commands and we've moved well beyond that, and now they're led by people from all sorts of different services. We're not saying this needs to be permanent but I think it needs early years of NORTHCOM having a guard GO as the deputy would be very useful.

We also are going to recommend – while we don't recommend making the chief of NGB a four-star, we do recommend that DOD look at making him the principal adviser to the secretary of defense on homeland defense and civil support matters. He would continue to report to Secretary of Air Force and Secretary of Army on all title 10 matters, but for homeland defense and civil support, we would see him going to the secretary, perhaps through ASC McHale's office. And as part of that we'd like to see NGB have some control over some funding for homeland defense exercises and training, and maybe even equipment. We'd like to see NGB play a much bigger role in working with NORTHCOM and PACOM to define requirements, and help them again understand what capabilities are in what states. So we definitely think those relationships need to evolve and become much more robust than they are today.

MR. STUMP: Great. Thank you.

MR. PUNARO: Mr. Eckles.

MR. ECKLES: Good morning. I would like to talk a little bit this morning about the individual ready reserve. Attempts to use the individual ready reserve for Operation Iraqi Freedom have yielded mixed results regarding their effectiveness. Defense press advisories have stated that recent call-ups from the individual ready reserve have caused misunderstandings among affected service members, and there is evidence that ability to use this pool of manpower has been limited.

My question: Is the individual ready reserve a viable pool of skills that can be utilized by the services in times of need, and if so, how do you think the IRR should be managed?

MS. WORMUTH: We do think that the IRR is a viable source of manpower, perhaps much more going into the future than it has been today. I mean, I think our assessment of the IRR is that, you know, for many, many years it really hasn't been a reality, and hence people in that pool have not really believed that they would be called up. Many of the services haven't really tracked people in that category very effectively.

Our recommendation is, we would like to re-energize the IRR, and the services – I know at least the Army and now the Navy as well are taking steps in this direction. Our view is, the first step would be helpful to go back and sort of cull the database of the exiting IRR people, see who's there, focus perhaps on those specialties that are most needed, and then make contact with those people to try and see if there's any willingness to sort of stay in that category and perhaps try and track those people. But moving forward from today, to do a much better job of making sure that reserve component members understand what their obligation is and what it means to be in the IRR. And going forward, to track people much more consistently than we have, to perhaps have virtual musters where you maybe pay people \$50 to sort of say, yes, I'm still out here, I'm still available. But to try going forward to do a better job of keeping track of that, and making sure people understand what the expectation is because in our view, if that were to happen, when you call on those people there wouldn't be such a resistance because they would have understood from the beginning that this is part of the military service obligation.

MR. ECKLES: Are these recommendations included in your official report?

MS. WORMUTH: Yes. They will be.

MR. ECKLES: I have no further questions.

MR. PUNARO: Thank you. We're going to have to – we're a little pressed for time this morning because we're going to be reconvening in Rayburn 2216 promptly at 12:45 to start our next panel with some additional governors. This has been tremendous,

very helpful. We look forward to the final report. But we look forward more importantly to staying in close touch with you and your team, as well as the other experts at CSIS because I know you're going to be able to help us as we kind of sort through some of these knotty problems. As we try to prepare our final report, we'll greatly benefit. Your testimony has been extremely helpful. Please express our thanks to Dr. Hamre and also I appreciate your great flexibility in terms of adjusting your own schedule to accommodate ours this morning. So thank you again.

MS. WORMUTH: My pleasure, and we look forward to staying in touch.

MR. PUNARO: The committee will recess and reconvene promptly at 12:45 in Rayburn 2216, two flights up, and I'd ask the commissioners to hustle on up there. Thank you.

(End of session.)

(Lunch break.)

MR. PUNARO: (Sounds gavel.) The commission will come to order.

The Independent Commission on the National Guard and Reserves continues its exploration of the role of the reserve components in defending and securing the homeland. At our May hearing, we heard from senior officials in the Department of Homeland Security and Defense, the National Guard, and Coast Guard representatives, as well as from subject matter experts. We explored the important relationship between the Department of Homeland Security and DOD and the extent to which both may be depending on the same military forces to accomplish their respective missions and at times concurrently.

Today we continue that focus with state governors in attempting to further understand the complex relationships between federal, state and local agency and accordingly the role of the National Guard and Reserves in fulfilling their missions as an operational reserve and a defender of the homeland. I'll introduce our governor here in just one second, but he knows full well the concept of state militia forces available both to a governor and a president in times of need is central to our heritage as a nation. Recent call-ups for the global war on terrorism and Hurricane Katrina and their respective lessons learned provide insights into the challenges our nation faces today in giving balance to state and federal missions. In light of these challenges, we continue to ask the persistent question of whether our Guard and Reserve forces are presently structured and resourced to accomplish all that is expected of them both at home and abroad.

As we continue our investigation and study of the homeland, we first want to better understand the existing balance of power including gaps, seams, and friction points between the organizations at the federal, state and local levels that come together in times of crisis, and we'll be seeking the governor's guidance in determining how the National

Guard and the Reserve can best be employed in their many roles, and we welcome the perspective not just on the challenges to DHS and DOD and other agencies in performing homeland security-related missions, but also most importantly on any obstacles impeding unity of effort between local, state and federal officials.

Before introducing our witness, I'd like to note for the record that as required by our authorizing statute, the Commission submitted its 90-day report to the Congress and the Secretary of Defense about ten days ago right on schedule. This is a copy of our report commissioned on the National Guard and Reserve – 90-day Report. It describes our strategic plan for completing our work including activities, operational guidelines, analytical approaches, and guiding principles. It also presents seven initial findings on the commission's work thus far and lists the major policy questions we will attempt to answer in the final report.

Two of our key findings are applicable to this hearing today and we're going to be very interested in the governor's perspective. Finding number one was there is confusion regarding chains of command when federal, state and local authorities respond to domestic disasters, as Hurricane Katrina and other recent emergencies have demonstrated this; and finding number two, the Department of Defense and other federal agencies' engagement with governors on decisions that affect National Guard and Reserve personnel, equipment, funding and operations should be strengthened. So those were two of our key findings that were very relevant to our hearing here this afternoon.

Our witness this afternoon is Governor Mike Easley, the governor of the great state of North Carolina. He is a member of the National Governors Association. He's also the lead governor for the National Governors Association on National Guard issues. We thank him very much for being here today and for his dedicated service to the state and the nation.

Governor, we continue to work very closely with the National Governors Association on a nonpartisan basis. We've heard from several of your colleagues earlier today. We very much appreciate your willingness and your availability to testify at our May hearing, but our scheduling didn't work out very well and you've accommodated us. So I can't tell you how much we appreciate you making the adjustment to share with us.

We met earlier with your former lead governor on the National Governors Association for Guard matters, Governor Dirk Kempthorne, now cabinet-level secretary of the interior. So we don't have his record testimony, but we certainly had a chance to visit with him and your staff participated in that meeting some time back. So we know the demands on your schedule. We really appreciate the cooperation we've had from you and your staff. We know many of your great military leaders in the state of North Carolina and look forward to your testimony here this afternoon.

Governor Michael Easley.



GOVERNOR MICHAEL EASLEY: Thank you, Mr. Chairman. I want to say upfront, you mentioned now Secretary Kempthorne. He and I were the co-chairs for the National Governors Association on National Guard issues for two years and he did an outstanding job. Obviously, as secretary of interior, he could not come and testify. I'm glad that you had an opportunity to talk with him and I do want to commend him and thank him publicly for his great service.

I want to thank the commission. This is extremely important, what you're doing, to make sure that we all know and understand what the role of the National Guard is going to be. The governors need to know. I think the active duty personnel need to know. The Guard needs to know as well as all of those emergency responders in our states. With your permission, I want to dispense with my prepared remarks, which I have given to the commission, and just make a brief opening statement and submit those remarks for the record.

MR. PUNARO: Without objection.

GOV. EASLEY: And I want to make sure that I recognize our adjutant general of the North Carolina National Guard, General William Ingram, who is seated behind me, and secretary of Homeland Security, Secretary Bryan Beatty who is also seated next to General Ingram.

I'm here in two capacities today: one, as you noted, as the chair of NGA for National Guard issues; the other is commander-in-chief of North Carolina National Guard. I don't think the two will conflict, but I think it's important to note that the Guard has a dual status as well. We recognize that. And I think one of the more important things that has to be determined in this country is what will be the role of the Guard in the federal war fight and what will be the role of the Guard with reference to homeland security, and I'm speaking more in terms of – terms of emergency disaster response. That's where the governors deal with the Guard the most. Obviously, when there's a call-up, they respond directly to the president in that chain of command; otherwise they're responding to the governors.

Let me also say from the outset that North Carolina is a very, if not the most, military-friendly state in the country and I want to make sure that though I'm here talking about the Guard today, it's because that's what I've been asked to do. It's not because I don't love the military all over. We are – we have a lot of bases in North Carolina: Bragg, Polk, Lejeune, Seymour Johnson, Cherry Point, Coast Guard Station at Elizabeth City and the Reserves. We're very proud of our Reserves and generally most of what I say about the Guard applies to the Reserves and I think it's important we do not overlook the Reserves while we're talking about the Guard. It is different being in the Guard and being in the Reserves, but we're very proud of our military. We're proud of the great work they do. We're proud of the great relationship that we have with them on and off the bases.

I think North Carolina has been a model citizen-soldier support program now for a few years. I came into office in 2001, which meant I had to deal with September 11<sup>th</sup>, as other governors had to do. We started working more to try and build support for the Guard because we were calling them up so much. I've been through I don't know how many hurricanes, floods, ice storms, different situations where we've had to call up troops. We have started using community and faith-based organizations to help with children of the Guard when they are deployed who have problems with school, parenting issues. Oftentimes, you'll have not just one, but both parents in the Guard deployed on different missions at the same times. It's extremely important that we note that and make preparations for that way in advance. So we try and do that through our family support system.

We started also what we call Operation ROTC. ROTC is Reach Out to Communities and Reach Out to Children. That operation lets us bring in the business community, the Banking Association, for example, helps our soldiers as well as our Guard as well as our Reserves and active duty members restructure debt. We have 133 banks to have an 800-number responding to credit counseling. We put – they're voting on our budget today as a matter of fact, so if anything goes wrong, I'm going to have to blame this committee. (Laughter.)

I think it'll go well and one of the items in there is a \$500,000 appropriation for the Guard family support services. That will go into a 501(c)(3) that is administered by a committee and it's used to help those families in need whether their car breaks down or they have a doctor's bill that didn't anticipate, they can't make the mortgage payments, because when you see a Guard member who is deployed for 18 months with 15 months boots on the ground and that income go from \$100,000 maybe to \$35,000 or \$40,000, they are going to run into some problems and we try to make sure that we support those families. Keeping in mind that they don't have the support group that you do at Bragg or Lejeune or Cherry Point because the Guard is spread throughout the community, which gives it a lot of strength, I think, and gives it some diversity and brings a lot to the table the active duty may not bring. We give free tuition to Guard members. We have nearly 1,500 attending our university systems – state university systems now in North Carolina.

Since September 11<sup>th</sup>, 10,000 of our nearly 12,000 soldiers have been deployed in Operation Iraqi Freedom, Enduring Freedom, and Noble Eagle. Thirty-eight hundred have been deployed for disaster relief response to hurricanes, floods, ice, in Isabel in '03, the hurricane that came through – the Guard's responsible for saving at least 130 lives that they were able to either use high-water vehicles, helicopters to keep these people from drowning essentially. The Hurricanes Francis and Ivan we heard so much about as it went through Florida. What the news didn't cover is when they finished with Florida, they came up into the mountains of North Carolina and there were floods in the mountains of North Carolina and the Guard helped picked people out of tree tops and off the roof tops and we think more than 300 lives were saved because we were able to activate those combat brigades immediately. And I point out the community-based part of the Guard that I think is very important.

In '02 and again in '04 we had severe outages due to ice storms – over 800,000 one year – and I'm not talking about people; I'm talking about households – and over a million the other year and after so many days, you're very concerned about are people getting the medication, do they have any kind of heat, do they have food? We deployed the Guard. The Guard went door-to-door and found people in those exigent circumstances that needed medication, food, heat and they were in trouble. The great thing about the Guard and Reserves as well would be they know the communities and they can go door-to-door and they know where the problem areas are likely to be – where the people who needed help were likely to be.

The dual role continues and, you know, now we know we're going to be called upon for border patrol. We don't know to what degree. We think that those of us in hurricane states are going to get a break at least until the season is over so that we have the manpower we need to react to any storms, which we're hoping we're not going to have this year. Border patrol is – but it's another demand and I think it points out that we are getting stretched pretty thin on National Guard level.

We also know – and this is a very big concern of the governors – we've been told by the secretary of Health and Human Services that if there is a pandemic, the federal government is not going to be riding into town on a white horse and save the day because if we have an avian flu, a pandemic is going to hit likely all 50 states and everybody is going to be on their own working together, but you can't count on the federal government to come in to save us. So we're going to really be dependent upon the Guard if that happens.

So I point these out just to let you know that these hearings are taking place at a time when we're seeing more of our soldiers deployed for longer periods of time and we're also seeing more security concerns and issues at home that governors have to respond to: everything from manmade disasters to something such as a pandemic. The dual role I think will continue.

The morale is high with our soldiers in the Guard; if you ask them if they're ready to go again, they'll tell you, yeah, right now, but you and I know at some point, they're not going to be ready and they can't continue to be deployed for long periods of time without affecting morale and their ability to respond.

There're two concerns that I believe are out of sequence that I hope this Committee will address to Congress and to the administration and I'd like you to be quite frank with them, and that is, when there's talk of realigning the forces, there also ought to be talk of what the role of the Guard is going to be and there seems to be a discussion going on and even recommendations made on realignment of the forces prior to determining what that role is going to be. So it seems to me you have the cart before the horse in Congress and those who are writing the budget.

Let's try and determine what the roles are going to be, make sure the governors are involved, we know what it is, and then let's sit down and have a discussion about

realigning the forces to me that goal of the new role for the Guard. Let's don't realign first and then trying to determine what the role is going to be. It seems like we are making that mistake – the second out of sequence mistake, I think, we're making when I see the recommended cuts from 350,000 to 333,000 and I know the '07 budget they're trying to rectify that problem. We met with Secretary Rumsfeld and had a good discussion with him, but there is nothing that seems to address the five-year projection of that budget, so I think we have to continue to work on that. Why would we want to reduce the Guard at the time we're using them more by 17,000?

At the same time, they say, well, we will go back to 350,000 so long as we can get the recruits. The question needs to be asked, how aggressively are we going to recruit, and that is one think I think needs to be put to DOD. The Guard is ready to recruit so long as resources are there, but that out of sequence piece that I'm talking about seems to me to be that we're trying to devise a national military strategy to fit a budget and the reversed ought to be the situation and that is we ought to determine what the national military strategy is going to be and then design a budget to fit that. We cannot afford to let ourselves be shorthanded with soldiers. We cannot let the soldiers be ill-equipped or improperly staffed and not have the benefits necessary for them to carry out their mission.

The National Guard sacrifices in their communities. People of this country are going to have to do the same thing. The governments are going to have to recognize that. They need to be fully equipped, properly staffed. They need benefits. TRICARE is very critical, we think, to the Guard, especially with the longer deployments. You can go – if you're on active duty, you can go on base and get what you need with your health care. The Guard, especially in rural areas, does not have access to that and right now what we're seeing is them dipping in and out of one health care system maybe in to TRICARE for some period of time, then having to get back on the other health care system. I think it would relieve a lot of stress and tension on those families if they could get into TRICARE and stay in the TRS.

With respect to employers, I'm proud to say our state makes up the difference. If you're in the National Guard in North Carolina, you're a state employee and you're making \$80,000 a year and you get deployed for 18 months at \$40,000 a year; we pay the difference. We make certain that that's taken care of. We have a lot of employers who do that as well, but we need more – more to step up. I hope the commission will look at incentives for employers to make sure that the Guard doesn't suffer, and Reservists, excessively and inordinately more than the rest of the military and make sure they don't have to worry when they're out fighting for the country or serving the country in some other capacities, they don't have to worry about, am I going to miss promotion or lose a job? We know what the law is on that, but the reality is sometimes quite different. It makes it very difficult for them to do as well in the promotion process as someone who's there all of the time and working continuously.

Let me just say for a minute, it's a very rare occasion that you have all of the governors come together. We had 50 governors sign a letter opposing this restructuring

within three days. It's been unanimous – and some territories, but the governors of all of the states signed on, and the reason they did is because we are responsible for the security, as governors, of our people in the state level and we call the National Guard when something goes wrong. We don't have a reserve in our forces, in our state police, in our firefighters. The reserve forces that we have are in the Guard, and that's why I think you've seen the governors with unanimity oppose these cuts.

We also oppose the restructuring of the Guard, which would replace combat brigades with combat support and service. Those support units – they're okay. They do well. They do good work, but they can't do what the combat brigades do. They're not that versatile. Combat brigades can be ready on a moment's notice, and that's what matters to us. Time is security. If we put additional amount of time between the governor's call and the Guard's ability to respond, then you're going to see a less secure America, state by state, and that's just the reality of the situation. Such a realignment I think would be a significant loss of emergency response and recovery capabilities and, as I say, security would be sacrificed in the event of that.

Let me just touch on equipment, and I'll close. On equipment, prior to September 11<sup>th</sup>, we were equipped at about 75 percent of what we were supposed to have with our National Guard in North Carolina. Since 9/11, we're somewhere around 35 percent. Some suggest maybe as high as 40, but that's all and we know with \$520 million less in equipment everything from trucks, Humvees, radios, helicopters, those things that we need in order to respond to emergencies on the state level.

But I want to point out, too, that we were the first or one of the first in North Carolina to send the 30<sup>th</sup> to Iraq. And I told the general when we did the deployment, "Sir," I said, "you tell me if you don't have what you need when you get to Kuwait," they go to Kuwait first and then to Iraq, and he said he would. And I told stood up before all of those soldiers and all of their families in the Coliseum and I said, "You will have what you need to do your job and I can promise you that." When they got there, they did not have everything that they needed and we used state dollars and we sent over radios, we sent over laptops and we sent over the flashing lights that they use at checkpoints, those things that they were not getting from the regular Army.

We sent over additional body armor. And let me be very clear on this: this was not body armor that they were wearing – they had that. So I don't want to be – have this taken out of context, but what we used that body armor before was to help with the thin-skinned vehicles and put on the floor of some of those vehicles to protect against IEDs and lives were saved as a result of that.

So I think it's very important that we recognize that sometimes, the Guard is not as well equipped as they ought to be and this really ought not even to be a point of discussion. It's just something we have to do and it's bizarre that it has to be brought up, but I want to at least bring to your attention.

I bring it to your attention for two reasons: one, I want you to know about it; but two, the governors will do what they have to do to make sure that these soldiers are equipped. If we have to find it and pay for it, we'll do it, but it is a federal responsibility and the federal government ought to do it. If they're not going to do it, though, we need to know on the state level so we can be prepared and have an appropriation in our budgets for that.

I just want to close with two general suggestions that I think are important. One is I think when we make any changes in the Guard, when we're talking about realignment, when you're talking about restructuring, cutting or adding of bodies, export it to involve the governors early on. That didn't happen with this particular recommendation when the president's budget came out and that's why I think the governors reacted so strongly; they didn't know about it, were not consulted about it, and never had any input. And secondly, I think it's important to give the Guard and Reserve both a stronger voice, a more formal relationship with the Department of Defense. I think you're probably in a better position to judge than I am what that ought to be, but given the expanded role, especially an operational role rather than just a strategic role, I think it's very important to have them at the table being heard.

Now, having said that, let me close my remarks by saying the Guard plays a vital role for homeland security and governors call on the Guard when something goes wrong. That's where we look for help and it's about the only place we have to go. The work of this commission is a lot more important than you realize because you are going to be making recommendations people who are going to be listening to. I've seen your biographies. I know that you know what you're doing and what you're talking about and I think the people on Capitol Hill are going to listen to you. I think the administration will listen to you. I think the secretary of defense will listen to you. So I want to thank you for taking the time to do what you do, but to let you know again that the governors, the Guard, the people of this country are counting on you to push forward and make the right recommendations on this.

Thank you very much, Mr. Chairman.

MR. PUNARO: Thank you, Governor Easley, for that highly informative and highly helpful testimony. Let me pick up on a couple of your statements because I'd like to start my questioning really talking a little bit about this balance between state and federal, the command relationships, the collaborative relationships. I mean, we've heard from day one in our discussions with the governors – and as we've said in our finding, it needs to be improved and strengthened and that sets the stage for figuring out the best way to do that. And I want to ask you a series of questions that in the form of a kind of a summary of my understanding what I believe the governors' position is and I'm going to ask you to tell me if you think that's right or not. Not saying that I'm advocating that or that's something the commission has concluded, but I want to make sure we have an accurate record in this area and we went through kind of a line of questioning with your fellow governor this morning and we met previously with the governors, we went through this as well.

And you said that the federal government, for example, in the instance of a pandemic – and they haven't said it this way; they said it in a lot more diplomatically and politely, but they said, hey, you're on your own; you're going to be taking care of your own state because we are not going to be able to get to you either in timely enough or we don't have the resources, and I believe that was kind of the way you characterized that. So they – so in other words, is it fair to say the federal government expects – as part of the national emergency response plan, they expect governors of the state both in their capacity as the governor of that state as well as the commander-in-chief of their Guard, they have certain expectations of certain actions that you will execute on behalf of that national response plan? Is that a correct statement?

GOV. EASLEY: That's correct; they expect us to take the lead role in every state and they expect us to work in conjunction with a larger national model to make sure that one state is not doing something that's adverse to another state, but they made very clear this is our responsibility. I mean, if you think about it, there's not much else they can say because they don't have the resources to handle, let's just say, a Katrina in 50 states. That's what a pandemic would be – the equivalent of that. So they expect us to manage our state, us to manage emergency management operations, us to use the Guard as we see fit, all of the resources we have. They want us to stockpile vaccines and whatever else is developed between now and then. They're going to have some stockpile in Washington, but they want us to have at least enough to treat first responders who will be most at risk.

That, I think, is a pretty good summary of what it is. They were pretty blunt about it. I mean, they wanted to make sure that we understand "we're not going to be able to come in because we don't have the resources and solve this problem for you."

MR. PUNARO: Right, and again, you as the governor you're going to take care of your citizens in the best way you can. That's a given, correct?

GOV. EASLEY: Correct.

MR. PUNARO: But what I'm – the point I'm making is and I think you – you certainly have agreed with is that the federal government also is putting some accountability and responsibility on your shoulders in saying, "Hey, we expect you – you're going to be able to execute certain authorities and certain responsibilities on behalf of the federal government," and also is it fair to say your fellow governors in nearby states, there are certain things that they expect their fellow governors to do? For example, Governor Minner this morning talked about – she knows the governor of New York has a pretty keen interest in I-95 going across that Delaware Memorial Bridge, as does commerce up and down the East Coast. You've got major arteries of commerce. So is it a fair statement that your fellow governors also expect that you in both your hat as the commander-in-chief as well as the governor, you're going to execute certain things that would have an impact on their state? Is that a fair statement?

GOV. EASLEY: Yes, that's a very accurate statement and those are items that we try and work out far in advance through our homeland security offices and through our local emergency management, so that's why we're having all of these exercises now.

MR. PUNARO: So when the states say in the four areas I'm going to ask you about, because I think they're essential to governors being able to execute these responsibilities, what information do you have, what personnel, what equipment, and how does the command in control work – when governors talk to us about and, you know, talk to the federal government and talk to their citizens about, “We need these things and we need to have this capacity,” it's just not because you want it because you are the governor. You need it because there are certain expectations by the federal government that you are going to have these assets and you're going to exercise that authority as part of an overall, coordinated plan.

GOV. EASLEY: Yes, that's – yeah, that's correct. You nailed it.

MR. PUNARO: Okay, so let's – let's – there're some – and again, I'm saying – summarizing what we're hearing and not necessarily saying whether I agree with it or not. There's some that suggest that the governors are just sitting out there dreaming up all these requirements and all these requests and all it is is an attempt to get additional resources, when exactly the flipside is, as we've heard time and time again and I don't think there is any disagreement, is in fact the federal government has set certain expectations of things that you can do.

So let's talk a little bit about – Commissioner Dan McKinnon is going to really zero in, I know, on the equipment, so I'm not going to get there except to ask you – you've already said you don't have what you need, but the 30<sup>th</sup> I believe was the brigade you said that was one of the early ones that went to Iraq. How long have they been back?

GOV. EASLEY: They came back – I want to say it was last year. It's been a little over the year.

MR. PUNARO: So they've been back at least a little over the year.

GOV. EASLEY: Been back for about 15 months.

MR. PUNARO: Have they gotten any of their equipment back?

GOV. EASLEY: Some – I had four helicopters, for example.

MR. PUNARO: That's it for a whole brigade?

GOV. EASLEY: Yeah, and we got some Humvees – right?

(Background chatter.)



MR. PUNARO: Yeah.

GOV. EASLEY: Yeah, it's all over the place right now and they're in this reset –

MR. PUNARO: And, I mean, I guess it's in a varying stages of equipment-readiness as well. Just because you have it, doesn't mean it works.

GOV. EASLEY: Right. A lot of them is back, but it's been worked on and we're just hoping and praying we get it before the hurricane season gets any stronger.

MR. PUNARO: What about – okay, and I know others will really zero in on the equipment – what about your personnel situation? Do you have the personnel and the right military skills you need in your Guard right now? I mean, you have expressed some concern about the possible force structure changes that might have some implications for those skills.

GOV. EASLEY: Well, here's our bigger concern is any changes. We have – I think we agree that we have combat brigades that can be effective, everything from transportation, engineering and the service brigades, but where they want to cut back on the combat brigades would be very detrimental to us. I know it sounds to the public like a brigade is a brigade, but if you – if you take a combat brigade and you give us an engineering brigade, we lose 3,100-some soldiers and 4,500 pieces of equipment and that's why we want to make sure that we maintain what we had prior to these recommendations. Right now, do we have enough? We have enough going forward on personnel, but we don't want to see any cuts.

MR. PUNARO: Right, but as you know and as the general knows, in the readiness evaluations of our military forces there's about four or five things that all have to be ready at the same time.

GOV. EASLEY: Exactly.

MR. PUNARO: Personnel, it's personnel qualifications, it's equipment, it's equipment maintenance readiness, it's training. So, you know, you can have the most ready people in the world; if you don't have any equipment, they certainly have been a very difficult time carrying out their job and vice versa obviously.

GOV. EASLEY: No, and I'm trying to – I was trying to stay away from the equipment for – yeah, but you're exactly right. We can't train without the equipment. You can't wait for the emergency and put somebody in a – what we call a water buffalo that transports water for the first time. So we have to have that equipment. The quicker we get it, the better trained our people will be and the better the job they'll do and the better they can respond.

MR. PUNARO: Let's talk a little bit about the command and control because, as we know, you're in a state that's probably unique. There not many states that have as

large an active duty military presence. You know, we've talked in previous hearings that, you know, in some states, the governor's going to deal with what he's got there whether it's the Guard and whether it's Title X Reserve component forces, they don't have large active duty presence. And I always used the example, I said, you know, "The 82<sup>nd</sup> Airborne is in Fort Bragg, they're not located in Arizona. And the 1st Marine Expeditionary Force is at Camp Pendleton. It's not located in Missouri." So the people that are going to get to that scene very quickly – you actually have a state where you have huge numbers of Title X active duty forces as well as other Reserve component forces.

What have you done in your state to work in terms of what kind of assets could be brought to bear? We know that in most states, the first 72 hours, the only thing that's going to be available are the forces that are immediately available to the governor, which are your first responder and your Guard forces, but what about in a state like yours that has huge amounts of active duty personnel?

GOV. EASLEY: We've used the active duty personnel in the past with the flood and Hurricane Floyd, and I'm not sure that this is going to be a good example for the rest of the country because we have such a close relationship with our military bases. The things that we talk about we do for the Guard, about we do for the military too. We, you know, we go on the bases and keep a relationship up: help the kids, read to them, get them books, that kind of thing. We know all the base commanders and when we dealt with the active military before during the flood, we actually had dual control. By that I mean, they responded to the federal government and the Guard responded to the governor, but they worked hand in hand and worked well and I think probably because they knew each other. And I think it would be different, as you pointed out, that if you had a – if you're in a state that does not have that relationship.

So we've had a good working relationship when we didn't have to worry about who the boss was. They had a specific mission – strategic mission to accomplish and they did that. Most of it had to do with moving supplies. For instance, the – all of the medical supplies were surrounded by water and they had to go in and get those out with a helicopter and take them to the hospitals, many of them surrounded by water. That kind of a thing will work. It gets a lot more complicated, though, if it's a long-term event and if you don't have a relationship already with the active duty.

MR. PUNARO: I appreciate that. Let me close out with last one question. So I think it's fair to say that we've established that the federal government expects you as the governor, as commander-in-chief in your state, to basically respond, obviously, with your guard forces to certain things that might be unique to your state, but they also expect you to respond to broader kind of incidents that not only would affect your state but other states, and in that capacity the federal government pretty much pays the tab. I think it's fair to say that 90 to 95 percent of the Guard's cost, whatever status they're in, are paid by the taxpayer. Is that correct?

GOV. EASLEY: Correct, and when we call them up we do have to pay.

MR. PUNARO: Right, if you use them just in the state, but so would it be illogical – why couldn't a governor that is trusted with that kind of command and control responsibility – it doesn't seem to me it would be too great a leap of logic to say you could be entrusted with other kind of Title X Reserve component forces. Frankly, I would even say act of duty forces, and I can see the act of duty in the audience here today starting to hover off the floor because of that, but if you're competent and you're state is competent to command and control highly trained National Guard forces trained to the same standards, using the same equipment as the active component and the Reserve component. Why couldn't a governor exercise command and control in an immediate incident response of whatever forces are needed to deal with that situation so it doesn't grow in to a larger situation? Is that an illogical thought?

GOV. EASLEY: No, I think it's quite logical and frankly it would depend on a couple of things. Let me just touch on one that's unique. Obviously, if it's a state issue, state emergency, or state response then it would be better coordinated if we're all reporting to the same person. I think one of the things that would be helpful, and I have not discussed this with my adjutant general, but adjutant generals in the National Guard are chosen differently in different states.

In North Carolina I appoint, and I appointed General Ingram because I thought he was the best at the time. We didn't know we were going to need him as much as we did, and he certainly has proved his mettle. But I think it's important that those active duty troops or Title X have to have respect for the Guard and for the adjutant general. And in conjunction with what you're saying, why shouldn't the states be trusted with this type of power, I think there might be – there is a certification process for adjutant general, but there might be something a little more formal that gives – if we get the Guard a seat at the table, maybe there are others sitting at the table that can send a clear signal that this general should be trusted and is competent to command the forces, because at the end of the day the governor is the commander-in-chief much like the president is command-in-chief, and the governor is not out there, he or she is not out there calling the signals and telling people what to do. So a lot of it I think depends on the hierarchy of the Guard and who is in charge there.

MR. PUNARO: Great. I appreciate it.

Our next questioner is Commissioner Donald Stockton.

MR. STOCKTON: Thank you, Governor, for being here with us today. I want to focus now a little bit on some personnel compensation questions. You mentioned some of the things that the state does in the way of benefits for your people. You mentioned some specific examples of having to buy equipment, but there's also benefit things – the pay differential that you mentioned. All these things are important, we all believe, to the members of the National Guard. And I have a matrix showing all the states that have different things just like you have, and I say different things because they are not all the same.

This information is published by the National Governors Association and the DOD. Is the National Guard Association looking at a framework to identify a core group of the best practices that would in turn be recommended to all the states and territories for further consideration and possible implementation?

GOV. EASLEY: You mean, is the National Guard itself looking at – is General Blum – (confers off mike)? You mean National Governors Association?

MR. STOCKTON: Yes, that's what I mean.

GOV. EASLEY: Okay, I'm sorry; I may have misheard you.

MR. STOCKTON: I misspoke.

GOV. EASLEY: We have had discussions on that, we do not have a formal group but that makes a good suggestion, I'll take that back but we do look at things that each state's doing, and everybody has some creative and unique ideas. And we have implemented ours based more on what the National Guard asks for, as well as what we've been doing for our active duty troops for a long period of time. But a formal – no, we don't have a formal committee working on that and I think probably we should and that's a good suggestion.

MR. STOCKTON: I think that would be very beneficial to what we're looking at. Another question relates to the employer support. Studies show that nearly one third of the men and women surveyed indicate that they leave the National Guard and the reserves due to employment conflict. The current planning metric for the future Army Guard activations is that members can be expected to be mobilized one in six. Do you feel that this is the type of op-tempo that will allow guardsmen to complete desired civilian careers? And will employees with this type of commitment be desirable in the civilian workplace?

GOV. EASLEY: I probably would have a different answer than my general because he is so optimistic about the Guard and the morale and it always is upbeat, and I have to agree, but I think there is a limit to it – a limit to how much sacrifice a soldier can make and still have a civilian career. These protracted deployments definitely change the playing field. I think, one, they need predictability. They don't even know if they can change jobs or maybe start a business on their own. If they knew, look, you're probably going to be called up in six months for 18 months or something like that in a rotation, they could make better preparation plans with the family.

When we talk about calling up a Guard member, we are talking about somebody who is now on the base, somebody who is out in the community who has got a spouse, children, and a job. I was talking to some Guard soldiers just this week and they told me they are about to retire and they couldn't come up with their careers with this type of deployment today. Some are in sales, some are in – where you lose your contacts over a certain period of time. Attorneys; for example, when you take an attorney and move

them out of their practice for 18 months, you are not only affecting the soldier and the soldiers family but all of those clients, the court system, you may have equitable distributions and those sorts of things, so it ties everybody up. So the more predictability we get, the better off we are.

I believe the longer the deployments, I would say the less likely the current population of soldiers will remain in the Guard. You may attract some different people with different backgrounds, but I don't think it would work well for the current Guard population in the long haul.

MR. STOCKTON: This commission has received testimony regarding the nature of the strategic reserve as compared to a more operational reserve that we've moved in to over the last four, almost five years. Your guardsmen, you're proud of them. You support them in every way that you can. They are being called to fight wars abroad, they are fighting floods in your own state, they may be asked to assist in border patrol. I mean, is there an end to what they can be called on to do, still be operational, still be strategic; is there a danger of overusing them at some point?

GOV. EASLEY: Well, if I understand the terms correctly, they are pretty operational right now when they have always been strategic in the past. We pull them out and we use them for – (audio break, tape change) – too thin now. I think it's going to be very difficult to maintain troop level if we continue to do this.

It's like, I was a district attorney before I came to the attorney general's office, the governor's office. And every time they do something new down at the legislature, they say, give it to the clerk to do, and it was just after a while the clerks couldn't handle it anymore. And it seems now every time there is a problem in the country they say, well we'll use the National Guard. We have Border Patrol; we'll probably use the National Guard. If we don't have enough soldiers, we'll use the National Guard. You know, we've got a flood; we call the National Guard. At one point we were recovering from a drought paying for a flood in the middle of an ice storm in North Carolina and were using the National Guard on all three. And I think it affects readiness and preparedness because of the additional stress. I just believe they're stretched too thin and they can't continue in this capacity.

MR. STOCKTON: I have one more question, sir. Of course, there have been many changes at the national level: the federal government has had about 120 legislative changes over the last couple of years that affect the Guard and Reserves, especially with respect to compensation and health care issues. What are the primary benefit issues that you hear from your National Guardsmen?

GOV. EASLEY: Well, primarily healthcare, and I should point out it has changed with the new expanded use of the Guard – expanded use of the Guard for projected deployment as part – more of the operational use of the Guard rather than strategic. Legal, especially those who are not near a base. I know when I was attorney general, we had a good number of those in my office who were Guard members and they

generally would help the others along and take care of wills and those types of things. Legal services I think is important, but more and more mental health counseling.

They go to Iraq, Afghanistan, do their tour of duty. They come back; they may need some counseling. That's probably going to pop up again later, and they don't have access to it then. So that is one of the benefits that I think we ought to look at very closely to make sure that – they're going to have the same problems that the other soldiers have – the active duty soldiers have – and I don't know why we would think that they would have anything different. They just don't have access to all of that.

And some of the other benefits that we supply are continued licensing; you know, little things that will drive you nuts. The last thing you want is somebody with a gun in Iraq trying to make a decision of whether to pull the trigger or not saying, oh my goodness, my driver's license has expired or my insurance has expired or this has expired back home, or I didn't pay my kid's tuition. Those types of things we take care of so they don't have to worry about any of that when they're gone. Those are very important benefits.

The other thing that has been really well received is we increased by 50 percent the retirement for our Guard members, which is not that much money I didn't think at the time, but I thought was a good thing to do and they really appreciate that. I would like to see other states pick up and do these things.

MR. STOCKTON: Thank you, Governor.

GOV. EASLEY: Thank you.

MR. PUNARO: Thank you. Governor, I am very mindful of your time constraints. We have got a couple more questioners, particularly on the equipment. Are you okay to go a little bit longer?

GOV. EASLEY: I'm good to go.

MR. PUNARO: Okay, Commissioner Dan McKinnon.

MR. MCKINNON: We're delighted to have you here, Governor. I just don't want it to go uncontested, however, that North Carolina isn't the only place that has a great military. I'm from San Diego, so we take great pride in California, too.

GOV. EASLEY: You do a great job with San Diego. I have to give you credit for that.

MR. MCKINNON: We are really concerned about the equipping. You talk about a 40 percent equipment factor. I don't imagine the governor knows exactly how many Humvees and helicopters and night vision goggles you have, but I would like to ask to

impose on you TAG, your adjutant general, to provide us with a list with what you have versus what you think you ought to have, or what you are allocated by DOD.

GOV. EASLEY: We can do that. I think we actually were talking about it the other day because Secretary Chertoff was down. We are under and we expect to have a little more – it's in reset – by the end of June and hopefully significantly more by the end of August. But right now I can tell you we have four helicopters where we had eight. I can never get a number from the general, but by the end of the summer you potentially have four in reset? All eight back, which hopefully we can hold the hurricanes off until then. I'm not referring to the hockey team. We want them out there active and aggressive. (Laughter.) But the Humvees I think we're right about 300 right now, but more coming in reset.

And what is most important to us are those Humvees, helicopters, and the high water, high clearance vehicles are particular important. We'll get you that list.

MR. MCKINNON: Okay, I appreciate that. With the lack of equipment, what kind of relationship do you have with the DOD to tell them here is what our needs are and we want the equipment now. I mean, do you have some kind of pipeline where you're working with them on that.

GOV. EASLEY: My understanding is our TAG – the adjutant general – deals with Lieutenant General Blum and his office, and that is our connection with DOD. Is that fair? And by the way it – and by the way, I need to say something. General Blum has been very good about meeting with all the governors and he comes to our states and meets with us and has been very, very receptive to what our needs are, and supportive.

MR. MCKINNON: Actually, you talk about the relationship with DOD. My interpretation of your statement is that there are 50 governors all signed on so quickly when DOD was talking about shifting manpower around for the Guard is that they didn't communicate well with the governors. If they had communicated maybe more effectively, you wouldn't have had that uproar. Is that –

GOV. EASLEY: Yes, you're exactly right, and I made that point to –

MR. MCKINNON: Regardless of what the outcome of what their statement was.

GOV. EASLEY: Right, I made that point to General Blum and I think he agrees with us: there needs to be more direct communication. I don't know to what degree he's in the loop with NORCOM and that's why I think a more formal relationship would be better. He gets the information, passes it on to the general, the general talks to the governor, and then we've got a good line of communication. It wouldn't be that difficult to do.

I think what has happened here is we are very focused on, when we are talking about the dual status we are very focused on homeland security and they're very focused

on the war abroad. And they forget about our needs and sometimes I suppose we forget about theirs because it's not on our plate every day. And that's where we have a breakdown in communication that needs to be fixed.

MR. MCKINNON: You discussed a moment ago about the type of units you have for Guard versus – the support units as opposed to the combat oriented units, and you talked about engineers and so on being the support units, but wouldn't those be very valuable to you in a hurricane or any other kind of major disaster to have engineering type people or the support type units and military police – that type of thing as well?

GOV. EASLEY: They could be very helpful to us certainly after the event, more so than prior to it, and we do have and we have used them. But when you're talking about a combat brigade, we are talking about people who can do what we need done immediately. I need people who can go out, drive the trucks, fly the helicopter, pick the people out of trees, deliver the ice, do all of the things that a combat brigade is trained to do. Taking the combat support and services support, you would have to take them and train them to do what the combat brigades already know how to do. And that amount of time for training would result in a lot less security in most of these situations and loss of life would be my estimate.

MR. MCKINNON: You talked a moment ago about the relationship with the DOD and maybe having a Guard member, as I interpret what you're saying, on the chief of staff, and if you did another argument could be that if you had a member of the National Guard who is a member of the chief of staff, would he be first among equals because he had people like you or 50 of you all lobbying the Congress for the benefit of the Guard and maybe the active forces would come in second place on that kind of arrangement?

GOV. EASLEY: I don't think the active forces would ever come in second place when you're dealing with the DOD and the secretary and the president's budget. I want to stop short, though, of recommending a seat with the Joint Chiefs. I think that's something that needs to be worked out with the military. I just think a more formal relationship so that there is more discussion, more collaboration; if that were to be part of the Joint Chiefs, then so be it. That's fine with me. If there's another or better way to do it, a more appropriate way to do it, then that would suit me as well and I think the governor's as well. I just think a more formal relationship so that there's more discussion and dialogue with the Guard and the governors; I think that's what's necessary.

MR. MCKINNON: What's your attitude about having your members deployed on the border?

GOV. EASLEY: Well, if the country needs the National Guard on the borders, our National Guard is ready to go and we will do everything we can to protect the security of the United States of America. That said, I don't want them down there during hurricane season because the time it would take to get them back could be difficult for us.



MR. MCKINNON: We really appreciate you being here and sharing with us today. Thank you.

MR. PUNARO: Thank you.

Commissioner Stan Thompson.

MR. THOMPSON: Governor, glad to have you with us. I'm going to focus on the homeland security piece. We've had – since you're a coastal state I'd like to – we've had a panel of subject matter experts sit in front of us that says that the National guard should expand its domain from land and air to also sea, get in to the third domain, and create a national maritime Guard also responsible to the governor. Could you give me your impression of that thought?

GOV. EASLEY: We have had a good relationship with the Coast Guard in our state. Now, that could be because I'm a coastal state, but we have a Coast Guard station in Elizabeth city, which is the northern part of the East Coast and then one down at Oak Island, which is almost as far south of South Carolina, and they are generally there for us when we need them. I have not had a chance to discuss the possibility of expansion in that area with the general or the secretary. I would be happy to get you a response on that, but it strikes me as – I don't necessarily think we need a redundancy there as much as we do on ground and in air. That would seem to me to be the two major places; certainly they'd be the priority.

MR. THOMPSON: We have talked about, I guess we focused on the need for the Department of Defense to better coordinate efforts with the governors, but the Department of Homeland Security also has some obligation to work with the states in executing the national response plan. We have been told that the Department of Homeland Security has developed a list of potential or probable type catastrophic events to kind of help give the national response plan some focus. And my question to you, sir, is have you or do you have knowledge that the governors have been involved with the Department of Homeland Security in the development of this part of the responsibility?

GOV. EASLEY: What we have is – they call it MET – the Mobile Education Training – that Homeland Security is doing. We participated in that and it was a rather fascinating day when they set out these different scenarios and we bring everybody, our entire cabinet, emergency manage – everybody who is going to be involved in the response to anything that occurs, manmade or otherwise, and those exercises are extremely important. We have had input into that. We give them feedback as to what we think ought to be done and they tell us what has worked well in other places, what has failed in other places, so that part has been good.

The other part, Secretary Chertoff has – I think it was just last week he was down in North Carolina along with the new FEMA Director Paulison. And we think that he is reaching out. He is trying to meet with the governors to find out what our vulnerable areas are, how we would respond to them, what we might be calling on him for, what are

we most concerned about, what is our nightmare scenario, and then giving us pretty much an update on what equipment he has and what he thinks he can get for us. Resources – I shouldn't say just equipment: manpower, all types of resources.

So we are getting a lot more outreach than what you saw last year, so I think there has been an improvement there. That said, we've had a pretty good relationship with FEMA and with Secretary Ridge, who was a former governor, as you know, from Pennsylvania with me. And he showed up in the state when we needed help and provided resources during one of our severe hurricanes.

MR. THOMPSON: I want to circle back to something the chairman was tapping on and that's the C2, or command and control, of Title X forces within your state. It's my understanding that National Guardsmen who under your command during state status – there's a clear understanding of that. And has a clear understanding of Nation Guard forces under Title 32 operations that are still under your thumb or supervision. But then if the National Guard members are converted to federal status, you lose control of them. Am I correct with that?

GOV. EASLEY: That's correct. If there's a call-up, they go to the president – I think it says – the constitution says something along five days to three months notice or something.

MR. THOMPSON: But that Title 10 number – am I correct? There's a Title 10 – one of these 101,000 I think I saw in your –

(Cross talk.)

GOV. EASLEY: Active duty?

MR. THOMPSON: Yes, correct. But there is no way or there is no mechanism by which they can really slide in under your command is there?

GOV. EASLEY: No, not at this time. We just have to work in the spirit of cooperation, which we've done, but there is no way to bring them together, which I think could be helpful.

MR. THOMPSON: In a scenario – I don't think it happened, but let's say that something happened in North Carolina and your personal relationship with the commanding officer in one of these big bases down there just doesn't like you, then he doesn't have to respond to you, am I correct?

GOV. EASLEY: Correct, we'd have to get him to respond to Washington and then work in conjunction with us. You're right, I would not have any authority over him and I don't think, obviously, they couldn't come up and do anything for us without permission and orders from Washington.

MR. THOMPSON: Let's say that we would recommend some changes in that particular relationship so that you could have some directive authority over those either Title 10 reservists or Title 10 active duty forces. Would that make a difference to you as a governor?

GOV. EASLEY: Well I think it would if the emergency response was big enough. If the disaster were large enough that we would need additional troops. We first go through EMAC – Emergency Management Assistance Compact – and we would get Guard from other states. The states have sort of worked this out with our emergency management coordinators, but if we could get access – if we needed access to Department of Defense troops, coordination and control would obviously be a critical issue and it would be nice to have everybody working under the same leadership.

MR. THOMPSON: That's all I have, Mr. Chairman.

GOV. EASLEY: Thank you, sir.

MR. PUNARO: Thank you. Okay, our last questioner is going to be Commissioner Larry Eckles, and I promised the governor's staff we would have them out of here no later than 2:00 p.m., so that means we're looking for short questions and, Governor, short answers.

MR. ECKLES: Governor, I had a number of questions dealing with mobilization and demobilization of Guard units and you've touched on a number of those questions that I had already. I do have one question that I would like to pose to you this afternoon. The NGB has indicated that a 50 percent rule would be adhered to with regard to mobilization of any given state's National Guard assets. That means no more than 50 percent of a state's assets would be on active duty at any given time. Does this 50 percent rule make sense, and if not what percentage do you feel would be better?

GOV. EASLEY: Well, I am reluctant to give you a specific percentage because, one, I don't know how long we're talking about the active duty deployment. If you're talking about 50 percent deployed for 18 months, I think you've got to pretty much assume when they come back they're not going to be deployable for a while. So you've got to pretty much figure the time in there, the role that they're playing, before I could give you a percentage. I would be happy to talk to my general and some others and give you a more specific answer to that and I'll submit it to you.

MR. ECKLES: Thank you very much. That's all I have, Mr. Chairman.

MR. PUNARO: Great. Well I'll tell you, the commission chairman doesn't have a lot of power, but I must have had a little bit of persuasion there with Commissioner Eckles.

Governor Easley, we appreciate your flexibility on testifying here today, your tremendous leadership in your state, but also as the lead governor of the National

Governors Association, particularly for National Guard matters. We look forward to staying in touch with you and your colleagues at NGA. Your staff has been tremendously helpful. These are exceedingly important issues both for now and in the future and we all know we've got to get it right for the future. It's very clear that the governors have a key role now and will have a key role in the future and we've got to make sure the guard and reserve components in their states are organized, trained, equipped, resourced, and you have the command and control you need to execute your responsibilities, but as well as the responsibilities the federal government expects you to exercise on behalf of the nation. So please pass our best regards to our colleague from the Reserved Forces Policy Board, Major General Rudy Rudisill, and we're glad he's back in North Carolina and not up here in Washington stirring the pot as he was for many years. (Laughter.) So thank you again, Governor.

GOV. EASLEY: Thank you again, Mr. Chairman. And again, thank you to the committee for making this sacrifice. I think it's going to be very important to the country. And with that I'll go back and make sure General Rudisill is preparing the Outer Banks for those of you who want to –

MR. PUNARO: That's right, and we want no hurricanes when we're down there for our family vacations this summer. We love your state and love to vacation there.

GOV. EASLEY: There's nothing over 15 knots.

MR. PUNARO: Right. (Laughter.) As the governor departs, we're going to be changing out our second panel for the afternoon. We'll be hearing from the senior enlisted advisors of all the Reserve components. And as we prepare the hearing room and the panel, I'm going to read in to the record the findings of the commission to date.

In our 90 day report the commission was required to report to the Congress and the Secretary of Defense on what we found with our preliminary work today, and we have a set of findings, seven key findings, the first of which is that America faces the most diverse, complex, and unpredictable security environment in our history. And the policies, laws, regulations, and practices governing the nation's military, particularly the National Guard and Reserves, must ensure that America possesses the capabilities and readiness necessary to counter numerous evolving threats at home and abroad. And this is particularly important in the governors' responsibility because again we haven't had this kind of diverse and complexity in years past.

Finding number two was – and I'm going to ask the staff to have the second panel witnesses come on in the hearing room and let's get them set up. Finding number two is, the United States is engaged in what national security policymakers believe to be a long war which is likely to last for many years to come. As a result, we must be prepared to respond to the new, emerging threats associated with this way including conventional military attacks, terrorist attacks, human-made disasters, and threats from militant Islamic radicalism and the forces of tyranny. Responding to these challenges will have profound

and lasting implications for the nation, the military services and their Reserve components.

The third finding of our seven findings is the sustained operational use of, and potential future demands on the Reserve components, pose challenges that must be addressed. And then we list a series of paragraphs that talk about the various complexities of those challenges.

Finding number four is a balance between the use of the Reserve components as an operational and as a strategic reserve is necessary to meet national security objectives must be achieved and the Reserve components must be tasked, organized, trained, and equipped and funded accordingly.

Finding number five is statutes and policies that adversely affect the Reserve components must be revised and updated.

Finding number six – and I'll cover those again – there is confusion regarding change of command when federal, state, and local authorities respond to domestic disasters, as Hurricane Katrina and other recent emergencies have demonstrated. The adverse operational consequences of this confusion, including those for the Reserve components, must be remedied.

And finally, the Department of Defense and other federal agencies engagements with governors regarding decisions affecting Reserve component personnel, equipment, funding, and operations can contribute to national security and should be strengthened.

These are essentially the seven major findings of the commission's work to date and we came about those – again, as our senior enlisted advisors were seated at the table once they're all here and set to go, we'll get that second part of the panel going. Our statutory mandate, our assigned duties are really to study, assess, identify, and recommend the necessary changes in the Guard and Reserve roles and missions, training, operations, equipment necessary to meet all our future national security threats.

And so that gives you a quick summary of where the commission is and the status of our work. We finished our 90-day report. We're still in the information-gathering mode, to include hearings like those we're having here this afternoon. And at this point if the rest of our commissioners come back in the room I'll give my opening statement to introduce the witnesses.

(Break.)

MR. PUNARO: Before the commission in this session are the senior enlisted advisors for the Reserve components. Each of these E-9s serves as the principal advisor to his or her component chief on all enlisted matters. We essentially call these the top of the tops. The senior enlisted advisors, the very more senior people and each of our Reserve component commands, these are the operational commands, these are the

operational forces that Governor Easley was referring to. These aren't the headquarters folks; these are the folks out in the field. These senior enlisted advisors visit frequently with deployed service members and their families, they serve as the eyes and ears for their leadership on issues ranging from quality of life to adequacy of training, to family support and employer concerns.

There isn't anything that goes on in our military that our senior enlisted personnel are not aware of, not on top of, and not making sure they have the pulse of the troops in the field and they're feeding that back to their commanders at all levels. Our senior non-commission officers are the backbone of our military, whether they're a sergeant in a squad, an infantry rifle squad, or the top enlisted advisors we have today.

In meeting its congressional mandate, the Independent Commission on the National Guard and Reserves is seeking testimony from a broad range of senior civilian and military leaders as well as prominent subject matter experts throughout our hearing cycle. Equally important, however, we want to know the concerns of individual reserve and guard members themselves, and their families, and this afternoon panel is the first of several efforts focused on achieving that goal.

In addition to formal hearings on the record like this one, we will also be conducting informal focus groups with service members in conjunction with other commission fact-finding efforts. In addition, we're going to be hearing informal testimony from a representative slice of our junior troops and junior enlisted personnel from the various components. In our hearing out in San Antonio in Texas in July in the morning panel we're going to hear from all their bosses, the three stars chiefs of all the senior enlisted advisors who are seated at the table will be testifying and then in the afternoon we're going to hear from a representative panel of our junior enlisted and junior officers who are out there close to the (deck bait?). But the bottom line is, I know I am and most of the members of this commission, in fact all the members of this commission, are firm believers if you want to know what's really happening, you get feedback from the troops. We intend to do that in a variety of venues and there's no better group to give us that kind of feedback than the senior enlisted advisors that are here today.

They go out and talk to them every day; they can give us valuable insights not only on what's happening, but on the trends that they see. So for this afternoon panel I want to welcome Command Sergeant Major of the Army Reserve, Michele S. Jones; Command Sergeant Major of the Army National Guard, John D. Gipe. Did I pronounce that correctly? Great, super. I was worried about that and I studied hard on that. Chief Master Sergeant of the Air National Guard, Richard A. Smith; Force Master Chief of the Navy Reserve, David R. Pennington; Sergeant Major of the Marine Corps Reserve Robin W. Jackson (sic); Chief Master Sergeant of the Air Force Reserve, Jackson A. Winsett; Reserve Force Master Chief of the U.S. Coast Guard, Jeffrey D. Smith; and Command Sergeant Major Lawrence W. Holland, senior enlisted advisor to the Assistant Secretary of Defense for Reserve Affairs.

I want to thank each of you for being here this afternoon, for your leadership and dedicated service to the nation over a long, long number of years. As always, we count on your experience and your candor in advising us on the very complex issues that face the troops and in your situation.

I also want to add – I know Sergeant Major Holland will be leaving his current post in the fall and he's already volunteered I would say semi volunteered because I sort of commandeered him and he's going to be helping us a lot, he's just back over and goes back to Texas, we're going to benefit from him continuing to work with us on the commission, as well as all of you.

So with that I'll turn it over to you all and I'll be candid with you: I'm not sure who's going to go first, I don't know if we're going from right from left – Sergeant Major – okay. And then I'm sure you all have already got yourselves self-organized, as they always do, and we'll hear from you. And I will say up front: without objection all of your prepared statements would be put in the record and we look forward to whatever you want to tell us this afternoon, so Command Sergeant Major Holland.

CSM LAWRENCE W. HOLLAND: Chairman Punaro and members of the commission, thank you for the invitation to discuss America's enlisted Reserve component force. This commission has several important tasks at hand and I will give you my perspective for the senior enlisted advisors since the senior enlisted corps is 84 percent of our total Reserve force.

The panel seated before you are part of the Department of Defense, Reserve Forces Senior Enlisted Advisory Council that reports to the honorable Secretary Tom Hall. On their behalf of the five services, seven components, they represent the 1.2 million personnel that are doing the heavy part of the lifting that we've asked them to do over the past four or five years.

This strategic reserve transition to an operational reserve is not just a word change. Today's military experience level is higher than it has ever been in the history of our Guard and Reserve, but to maintain that we must continue to train and equip this force to be ready when the nation calls. We know that next call will come and if we're to reduce in the amount of time that we take these servicemen and women away from their families, we must equip and train them ahead of time so that we do not have to extend their train-up period before we mobilize them.

Some of the other issues that are headed right in front of us that we have to look at, of course, the recruiting, retention, and sustaining the family and the employer. And some of the issues that are out there are as such: tuition assistance and G.I. Bill must be supported since it is a retention tool; the other part, we've tied civilian education to our enlisted promotion system and in doing so we much support the education programs that are out there to help our servicemen and women be able to obtain this needed education so that they are eligible to be promoted when their time comes through.

The IRR, no matter what maybe you have heard but each of the members here can talk to you about the IRR members that have been assigned to their units as fillers and support. And the ones that have answered the call have done a superb job, a very commendable job, and this needs to be noted.

In the combat service support piece of our transformation that the Army and the other services are going through today, we must look at the total joint process in filling these requirements as we look at things like engineers, military police of each of our services we must make sure that the combat service support piece does not get left behind and is part of the total process.

Today we are not doing anything much different than we have done in the past. The only change is we're trying to do all of it at one time. And I don't have to tell you what those are; you know, fight the two wars Afghanistan, Iraq, man the borders, take care of our employers, our families and our servicemen and women, and then right now we have mobilized approximately 100,000 reservists as of today. So each of the services sitting before you today is doing an outstanding job.

The other piece that we'd like to have some assistance on, and ask you to look at is communications. We must learn more about our active component brothers and sisters and they must learn more about us and it's our job to help train them about us and them about one another. If we do this, I think the misnomers between the active Guard and Reserve can be put aside, as it has been done on the battlefields of Afghanistan and Iraq. Because unless if you know what their unit patch is, you don't know whether that service member is active Guard or Reserve.

National Guard and Reserve forces continue to be critical elements in our nation's security strategy and will continue with their expanded role as an operational reserve in all facets of the total force. The nation continues to call and our Reserve components continue to provide and answer the call of duty. They are a quality force ready to serve any day and time.

Sir, we thank you for the opportunity to come before you in this panel as they give their opening remarks. We'll also be available for any questions you have. Thank you very much, sir.

MR. PUNARO: Thank you and before we go to our next witness, I want to apologize to the Sergeant Major of the Marine Corps Dixon since when he – no wonder he didn't smile at me when I was introducing him because I used the wrong last name. I was reading what the staff had here in the script, and I'm doubly embarrassed because he and I served together on duty at Marine Forces Reserves down in New Orleans. (Laughter.) So I saw him kind of – and so please, please don't put me on report to Lieutenant General Bergmann (sp) and tell him I didn't even get it right. So welcome and good to see you again. I know you all have been through a lot down in New Orleans with the hurricane and everything else, so Sergeant Major Holland, are we going right to left starting with Command Sergeant Major Jones or what?



CSM HOLLAND: We're running right down this line.

MR. PUNARO: Okay. Fine.

CSM HOLLAND: Going from the force right here.

MR. PUNARO: Okay, fine. Okay go ahead.

FORMC DAVID R. PENNINGTON: Chairman Punaro and distinguished members of the committee, I'd like to also thank you for this unique opportunity as a senior enlisted leader – and I'm sorry Michele I misunderstood. Jumping on out there.

I humbly do represent the amazing citizen-sailors of the United States Navy Reserve and I could not be more proud of their service. What we have accomplished in the Navy across the board has been phenomenal in my opinion with regards to transformation. The amount of churn, the amount of work that has went in with regards to zero base review and active – the subsequent reserve integration to the active component has been significant. And in the midst of that change and in the midst of all that turn and turbulence and wondering about the future and what tomorrow holds with regards to this transformation of the Navy and the Navy Reserve, our sailors have never performed better.

Today we have over 5,000 sailors mobilized in the global war on terror in theater. Over 50 percent of our IA – individual augmentee – population in CENTCOM is Reserve component, and that's an amazing statistic. Since 9/11, we have mobilized 38,000 of our citizen-sailors who have stepped up and done the job and continue to do the job. It goes beyond mobilization: this force is operational. I think the term strategic reserve force and the conscript of a force in waiting, if you will, is well behind us.

On any given day, 23 percent of our reserve component is operational at the tip of the spear with the active component doing work on a day-to-day basis. So I just proudly represent these wonderful Americans in our Navy Reserve component, and again I thank you for the opportunity to appear today. My statement is on record and I'd just like to say that – to keep it short and give my colleagues a chance to talk, that I'd be standing by open answer any questions.

If I could close with this: we in the Navy Reserve need to stay the course. We are, in my opinion, trying to catch up with some of the other forces across the board with regards to integration. And I think we had a bigger piece of the pie to try to eat with regards to integration and getting on line with the operational Reserve force, and the turbulence that has caused has been significant but again we're getting it done. We need to stay the course. We are in between – in the in-betweens on some of these issues with regards to the Navy Reserve force, but we're right on track and our sailors are stepping up and we're going to get there. And that's my comment. I'll stand by to answer any questions.

Thank you, sir.

MR. PUNARO: Thank you. Okay. I knew better than jump in here and try to sort them out so – Command Sergeant Major Jones.

CSM MICHELE S. JONES: Members of the commission, first of all, thank on behalf of all the Army Reserve soldiers of all the Army Reserve soldiers, all five categories. I represent them – active Guard Reserve – (off mike) – Individual Ready Reserve, individual mobilization augmentee as well as the entire Reserve – (off mike).

There are four key areas that I would like to mention and issues. Number one, the strides that we made for uniform service employment and reemployment rights are fantastic, but I will add that based on the soldiers and their family members, areas that we may consider to expand, and I'll use Illinois – the state of Illinois as an example, military members in the Reserve are a protected class of citizens. They have added that to their state legislation and I will ask you to review that to put reserve component members in that class as well.

The second area in that medical and dental – that we made, again, major strides in providing for reserve components to look at that and ensure that we continue to have funding for that, not just when they're mobilized but also to continue to have the dental and medical care for our reserve component members – (off mike) – long way, not just as an added benefit, but in terms of retention and recruiting to use that as a tool for recruiting and to use that as a tool for retention.

The third area is retirement. I'm not talking about an age, I'm talking about service based retirement be it 20 years, 30 years, 40 years. Look, we are members of the United States armed forces, and soldiers and family members want to feel they are serving their nation not based on age. And that could be mobilized – mobilization dictated. It's service-based retirement versus an age-based retirement.

And the last area that I would add – and some of these things do not cost any additional monies. There is an act that is currently the Family and Medical Leave Act. One area that our family members have stated they have lost their employment due to taking off time to support their military – (off mike). If we could add in that act specific language that protects family members – (off mike) – the same conditions apply, but for a family member that needs to take off to support their military member. So put that verbiage in the Family and Medical Leave Act.

And subject to your questions, I thank you very, very much for this opportunity – (off mike). Thank you very much.

MR. PUNARO: Thank you.

CSM JOHN D. GIPE: Mr. Chairman and members of the commission, it's a great honor to be here today on behalf of the soldiers in the Army National Guard. An easy way to remember my last name is it rhymes with gripe which – (laughter). I'm going to keep it short and sweet so we can get on to the question and answer phase, as I'm sure you all have lots of questions, but the things that I go out and I go out and talk to my soldiers and what they ask me about is equipment. They're extremely concerned about the amount of equipment we have in the Guard as it relates to training, readiness, and retention, because, as you know – several of you know our history in the Guard – you know soldiers won't stand around or won't stay in the Guard if they have a stand around and twiddle their thumbs at the armories. They want to train.

One of the big questions is deployment length. How do we get down within a year? We've got to be able to do that. I think we're moving in the right direction, so we've got to get there. Some of our policies that we use with regard to our mobilization process need to be updated. TRICARE, that's the huge question every time I go out. And a lot of it has not so much to do with who gets TRICARE, the availability of goods and services to our soldiers once they come back from deployment. The availability of doctors for those qualify for TRICARE in their local home towns. That's a big question.

One of the last things that I'll talk about is training dollars and it's a really more of a budget issue, but soldiers are concerned about that. Soldiers want to be as trained as they can be to do their jobs. A lot of times because of budget constraints we're not able to send them to state manual training period plus a Battle Staff course if that's what needed, so we need to work that issue.

My concern, as I see it from here: full time manning of the op-tempo of the Guard has increased twenty-fold since September 11<sup>th</sup>. Our full time manning hasn't, and it's hurting us as far as being prepared and preparing our soldiers for deployment.

And pay and incentives is another issue. We've come a long way – I'll tell you, the Congress has done a tremendous job helping us out, but with regards to reimbursement for travel expenses for our soldiers when they have to travel greater distances to make it to their home station or their drilling unit, we need to reimburse. And then the differential between BAH – I know they've done recently – it's been cut down to 30 days, but to me if you're on active duty, you're serving. For instance, the Southwest border mission, a mission that's directed by the president of the United States, our soldiers, because they go down and pull it in an annual training status, are drawing a lesser amount of BAH than an active duty soldier down there doing the same thing. And so I'd like to see that addressed.

That's all I have right now, sir. I look forward to your questions.

MR. PUNARO: Great. Thank you.

CMS RICHARD A. SMITH: Thank you, Mr. Punero, and members of the commission. Thank you very much for inviting us to speak to you today. It's an honor

for to represent the 93,000 enlisted men and women in the Air National Guard that wear stripes, so it's certainly great that we're here today.

As we speak today, the Air National Guard is out answering the nation's call. Thousands of our Air Guardsmen are deployed both here in the United States and around the world. The Air National Guard primarily right now is responsibly for the air sovereignty mission here in the United States. And since 9/11 – we've talked about mobilization – well, we've either mobilized or used volunteers to fill over 100,000 different positions when our Air Force called us.

Last year, in addition to our AEF or our OIF and Enduring Freedom missions, we also participated in the Katrina response. In the first 96 hours, we assembled enough aircraft on our peak day; on the third day we flew 389 sorties to the Gulf Coast. Overall, when the airlift was done, the Air National Guard was responsible for over 70 percent of that airlift.

In addition to the flying that we've supported in the Katrina mission, we also provided just about everything else we have in the inventory: air traffic controllers, weather, communication, medical, and so forth, so we were totally involved in the Katrina effort.

Our successes that we've encountered provide a benchmark in our historic support of both our war-fighting efforts and our domestic mission. As we've moved away from our Cold War strategy and the structure that we have in the National Guard, we've become more of an operational reserve, and we've heard that term here a couple of times already before. And in the Air Guard and in the Air Force Reserve, we are now a critical part of that total force that the Air Force puts forward, and we need to recognize some of the changes that we now need to make for our people where we need to change some of the past practices to meet the demands of the 21<sup>st</sup> century.

And what our members who are basically carrying the load that the Air Force and the Air National Guard has asked for, are talking about and what they're asking about. Some you've heard before: a different kind of retirement plan. Whether it's reduced or based on service, our members are asking that. Our young airmen – our airmen with three, four, five years of experience are now asking about that at a very early age. They're asking about their retirement program. The BAH situation that Sergeant Major Gipe talked about where we have the disparity between when our Guardsmen go to any kind of duty with the differences in BAH1 and BAH2 working side by side with our active duty members but we're paid two different kinds of rates.

We also have some differences for our single members who in a lot of cases own homes and have the same kind of expense, but are discriminated against or, based on the fact that they are single and not married. We also have – several issues have come up with some of our councils – enlisted councils throughout the Air National Guard where we look at the differences and VA home loan benefits from the active duty and our full time AGR members where our AGR members must serve a full six years to qualify for a

VA home loan, the active duty needs to serve 180 days – side by side in some cases, but differences in the programs.

One of the other issues that we've really been working on hard within our own organization and our associations is insurance coverages. I know insurance is dictated by the states, but there are in essence 54 different ways that we look in insurance coverages for homeowners. And when our members are mobilized and deployed and if, by chance their home sits vacant, in most states their insurance coverage lapses when their home is empty and there is no way to cover that. So our suggestion through some of the associations is that somehow that gets incorporated, like interest rates, like civil suits, in the Soldiers and Sailors Relief Act.

In conclusion, more of our proposals that the Air National Guard wants to talk about as we move into the future are in my written testimony, but I'm very proud of the generation of young folks that we have in the Air National Guard today, really carrying the mail – carrying out our mission. They do it with enthusiasm and volunteerism and in most cases with personal sacrifice.

We need to ensure that we do it right for our Air Guardsmen, that we're the right size with the right skills, and we have a very great future plotted out in a professional way that our airmen are professional well trained into the future, standing side by side for their active duty counterparts, so I, too, will be available for questions and comments as we move on down the line.

Thank you very much.

MR. PUNARO: Thank you. Force Master Chief Smith.

FORMC JEFFREY D. SMITH: Good afternoon, Mr. Chairman, distinguished members of the Commission. It is indeed a pleasure to appear before you today to discuss the Coast Guard Reserve and its contributions to National Defense and maritime homeland security from the enlisted perspective.

As you know, Rear Admiral Venuto appeared before you last month and provided detailed testimony on current Coast Guard Reserve roles. He succinctly captured the importance of our military maritime multi-mission service to our nation's security. I am delighted to provide to the commission my perspective on your key focus areas, to tell you about outstanding Coast Guard reservists and the many terrific things that they are doing every day to secure America and our way of life.

Given the commission's focus, I think a good place to start is 1995. That year, the Coast Guard integrated reservists into active duty command structure. Reserve units were decommissioned and individual reservists like me found ourselves under active component commanders. Like any significant change, this transition had challenges, particularly having active duty personnel understand the uniqueness of the Reserve. On

September 11, 2001 we quickly learned that integration had provided the Coast Guard with a ready and reliable surge capability.

After the attacks, I visited Port Security Unit 305 from Fort Eustis, Virginia. Port security units, or PSUs, are primarily staffed by reservists and principally exist to support combatant commanders in strategic ports overseas. The men and women of PSU 305 showed their flexibility and capabilities by playing a major role in securing New York Harbor. Five months later, PSU 305 began its six-month deployment to Guantanamo Bay, providing waterside security to the joint task force. Less than a year later, they mobilized for the third time and deployed in support of Operation Iraqi Freedom. A few days ago – just last week – a 55-person detachment returned home from a second six-month deployment to Guantanamo Bay.

Our other PSUs have similar stories. Domestically, large numbers of reservists have been safeguarding ports and waterways or on 95,000 miles of U.S. coastlines in enforcing security zones at strategic outload ports. Incentives, like enlistment and affiliation bonuses, along with extra pay for accepting orders to high priority units like PSUs, are tools we use to attract and retain the best, but our PSUs are few in number and not always located in areas where it's easy to recruit; something that's also true of many of our other units, particularly remote, coastal, small-boat stations. Consequently, individuals sometimes incur substantial expenses traveling to and from their drill sites. Currently, reimbursement for travel between a reservist's home and duty station is not authorized for members in an inactive duty for training status. Despite this, our dedicated people willingly absorb this cost to serve.

Since 9/11, cumulative recalls for the Coast Guard Reserve under Title 10 have totaled over 6,800 of our 8,100 selective Reserve force. Many have answered the call multiple times, exhausting the 24-month involuntary recall limit. Many have remained voluntarily to support military out road operations. Nearly 300 Coast Guard reservists volunteered to help with the implementation of the Maritime Transportation Security Act of 2002. Others have gone on extended active duty, successfully helping the Coast Guard fill a 10 percent growth in end strength, and all the while maintaining a high degree of readiness for the Reserve component's three core strategic functions: maritime homeland security, domestic and expeditionary support to national defense, domestic manmade or natural disaster response and recovery.

Immediately following the devastations of Hurricanes Katrina and Rita, of the 4,200 Coast Guard personnel who performed so selflessly and heroically, nearly 700 were reservists recalled by the secretary of homeland security and the 14 USC 172.

I would like to tell you about three such individuals, all assigned to PSU 308 in hard hit Gulfport, Mississippi. One of the reservists, a young seaman attending port security specialist day school was released to go home when it became apparent that Katrina was headed for the Gulf Coast. Instead of going home, he reported to his unit. On his own initiative, he inspected all unit equipment, making sure it was in good working order. Soon, two other unit members arrived and the three began helping locals

find food, water and shelter. A few days later, the seaman approached his commanding officer. He said he was concerned about his missing grandparents, who had been missing since the storm came through. Could he have a few hours off to go look for them? The commanding officer was taken aback and immediately released him.

Later, he told me that the seaman had been taking care of people he didn't even know, never letting on that he had his own problems. If that isn't selfless service, I don't know what is. Fortunately, the grandparents were found safe and sound. Today, this outstanding reservist is a port security specialist third class. I believe he represents our future, which leaves me feeling pretty good about the folks we are handing the next watch to.

Members like these, along with thousands of citizen-soldiers, sailors, airmen, Marines and, Coast Guardsmen that they represent, make your work on the commission so important. The American people have shown their support for these fine men and women with enhanced compensation and entitlement programs. These measures, in my opinion, have helped contribute to our historically high retention rate of over 86 percent despite unprecedented operational and personnel tempo.

If I could offer one word of advice concerning these new and recently enhanced benefits, it would be simplify. Taken individually, current entitlements provide significant benefits to reservists and their families. That said, it can quickly become confusing. Individuals have to sort out which entitlements they and their dependants have earned based on mobilization authority, duration of service, duty status, and other factors. To the extent that these well earned entitlements can be reviewed and simplified with regard to eligibility, I believe would reduce the stress placed on our members and their families during and following mobilization.

In closing, it's my privilege to have the opportunity today to represent America's finest citizen-Coast Guardsmen. Thank you. I'd be happy to answer any questions.

MR. PUNARO: Thank you.

Sergeant Major Dixon.

SGTMAJ ROBIN W. DIXON: Mr. Chairman, distinguished members of the committee, thank you for giving me the opportunity to speak with you this afternoon. The Marine Corps Reserve remains firmly committed to war-fighting excellence. The support of Congress and the American people have been indispensable in attaining that level of excellence and success the Marine Corps Reserve has experienced in the global war on terror.

While there are a myriad of issues that affect our reserve Marines, I would like to concentrate today on two significant issues: recruiting and retention, as well as equipment needs. Like the active component, the Marine Corps Reserve units primarily rely upon first-term enlisted force. Currently, the Marine Corps Reserve continues to recruit and

retain quality men and women willing to manage commitments to their families, their communities, their civilian careers, and the Corps. Despite the high operational tempo, the morale and patriotic spirit of reserve Marines, their families, and employers remain extraordinarily high.

At the end of fiscal year 2005, the Marine Corps Selective Reserve was over 39,600 strong. Part of this population is comprised of active Reserve Marines, individual ready, individual mobilization augmentees, and Reserve Marines in the training pipeline.

Additionally, nearly 60,000 Marines serve as part of the Individual Ready Reserve, representing a significant pool of trained and experienced prior service manpower. As you know, Reserve Marines bring to the table not only their Marine Corps skills, but also their civilian training and experience as well. The presence of police officers, engineers, lawyers, skilled craftsmen, business executives, and the college students who fill our Reserve ranks serves to enrich the total Marine Corps Force.

Our enlisted force continues to remain healthy with attrition rates during fiscal year 2005 at 20.5 percent, which is 6.5 percent below the historic average of 27 percent. As in May 31st of 2006, enlisted attrition is 13.2 percent, which is slightly above last years' average of 13.1 at the same point in the fiscal year, but 5.8 percent below the historic average of 19 percent for the same time period.

We feel that this will even out over the course of the fiscal year and is not an indicator or a trend. In fiscal year 2005, the Marine Corps Reserve achieved 100 percent of its recruiting goal for non-prior service recruiting, 5,921, and exceeded its goal for prior service recruiting of 3,132. Fiscal year to date, we see that trend continuing as we have assessed slightly more than our goal, 4,815 accessions of a goal of 4,795.

In equipment the Marine Corps Reserve faces two primary equipment challenges: supporting and sustaining our forward deployed forces in the global war on terrorism while simultaneously resetting and modernizing the force to prepare for future challenges. Our priorities in support of the first challenge are to provide every deploying Reserve Marine with the latest generation of individual combat and protective equipment. Second, to procure essential communications equipment. Third, to procure simulation devices to provide our Marines with essential training and enhanced survivability in hostile environments. And fourth, to provide adequate funding to O&M accounts.

Our main effort and support of resetting and modernizing the force include the procurement and fielding of light armored vehicles to outfit two new light armored reconnaissance companies, filling remaining communications equipment shortfalls, and adequately funding upgrades to our legacy aircraft, all with the goal of building the most lethal and best protected individual Marine and Marine Corps.

Equipping our Reserve component continues to be extremely challenging. Because of the level of support provided to the global war on terrorism, ground equipment usage averages from four to nine times the normal peacetime usage, while the



ground equipment readiness rates of our deployed forces average above 95 percent. This has come at the cost to our non-deployed units. Our home station units have ground equipment readiness rates that hover at 85 percent. However, this number can be deceiving as many units have severe shortages in equipment available due to cross-leveling of equipment to support deployed and deploying forces.

We have also resorted to borrowing equipment from our pre-positioned stocks in Norway and maritime pre-positioned ship forces. Sustainment of high readiness rates in theater and improvement of those rates at home are dependant on the delivery of replacement equipment in our reset force estimate.

The Marine Corps Reserve operates and maintains a broad array of competent, but aging, aircraft. The harsh operating environments in Afghanistan and Iraq, extreme temperatures, high altitudes, corrosive desert environment have created maintenance challenges negatively affected the normal expected service life of our rotary wing fleet and accelerated the aging of the inventory. The CH-46, for example, has been utilized in supportive OIF at 200 percent of its peacetime usage rate. With no active production lines for our rotary aircraft, maintaining our inventory in a mission capable status has been accomplished through an ever-increasing workload on our enlisted maintainers, yet despite difficult circumstances, they continue to excel. The aviation equipment readiness, mission capable rates of our deployed forces averaged 82 percent over the past 12 months. The corresponding rate of units remaining in garrison averaged 74 percent over the same period.

Consistent support from Congress for upgrades to our war-fighting equipment has directly affected the American lives saved on the battlefield. However, much of the same equipment throughout the force has deteriorated rapidly due to our current operational tempo. Although we currently maintain a high level of readiness, we will need to refresh and to replace our war-fighting equipment in the very near future.

In closing, your Marine Corps Reserve has never been a more well trained, well equipped, professional force than it is today. I've been an active duty Marine for over 30 years. I did a short tour with the Reserve force in 1976 to 1977. I toured with the Reserve force on inspector instructor duty from 1993 to 1995, and I have been the fourth sergeant major since May of 2002. I have seen dramatic changes since my first exposure to the Reserve force back in 1976.

The Marines or Marine forces Reserve are dedicated to serving their country, whether in garrison or in combat. You could not tell the difference in an active duty component Marine and a Reserve component Marine. I am proud to be part of the reserve force.

Thank you for the opportunity to speak to you this afternoon and thank you for your service on behalf of our Guard and Reserve.

MR. PUNARO: Thank you, Sergeant Major.

Chief Master Sergeant Winsett.

CMS JACKSON A. WINSETT: Chairman Punaro, thank you very much, and members of the panel, for allowing the senior listed members of our military on the Reserve forces side come and address to you today the concerns of the enlisted force so that you will hear it firsthand from those persons responsible for that enlisted force. It's truly a privilege and a pleasure to represent an excess of 59,000 enlisted men and women in our Air Force Reserve.

I fully concur with what my peers have presented to you today, but I want to address very specific areas that significantly impact our Air Force Reserve and I would hazard to say that spill over on to my brothers and sisters seated at the table with me. Together, our active duty Air Force and our Air Force reserve on a daily basis defend the United States and protect the interest of our country. We do it through air and space power and we do it seamlessly.

Those reservists on a daily basis contribute to the war-fighting efforts, and for your information in excess of 80,000 sorties and 360,000 flying hours have been flown in support of various and sundry missions, to include Operation Enduring Freedom and Operation Iraqi Freedom.

The Air Force Reserve has been an operational force since 1968 with the inception of our associate program, where, in fact, it's difficult to discern the difference between that active duty Air Force person and that reservist, whether it's a flight crewmember or a maintenance person. It's cost efficient, it's operational in its finest degree.

Be assured of the fact that the Air Force Reserve is ready and willing and able to continue in that vein. The Reserve will transform into a full-spectrum force for the 21<sup>st</sup> century by integrating across all roles and missions throughout the air, space, and cyberspace domains. Integrating our force ensures the Air Force Reserve is ready to perform tomorrow's missions today.

There are several critical operational units in military functional areas that must have volunteers in order to meet the ongoing mission requirements that are near the 24-month presidential partial mobilization authority. Our C-130s, our MC-130s, our B-52s, our HH-60s, our AWACS personnel, and our security forces personnel must be looked at.

In calendar year 2005, the Air Force Reserve had in excess of 6,400 members mobilized and another 3,200 members that were volunteers who served in lieu of mobilization in the support of the global war on terrorism. At the beginning of June, 2006, your Air Force Reserve had in excess 1,351 persons mobilized and deployed for contingency operations and another 3,100 that had volunteered, serving full time to support many of those contingency requirements. We expect this mix to become increasingly volunteer-based as we prepare for the long war.

The key to increasing that volunteerism and enabling us to bring more to the fight is flexibility. Our Corps capability is to ensure that we have the right person for the right job at the right time. In addition, predictability allows other advanced planning, it lessens disruptions, and it enables more volunteers the opportunity to volunteer.

Be assured of the fact that once we demobilize our personnel, we have had difficulty providing financial and medical assistance to them. Unfortunately, the system is set up, but it is incumbent upon the member to provide the connection. In many cases, medical records are strewn throughout the military community and civilian community. If a diagnosis is a disqualifying condition, unfortunately the member must proceed through the disability evaluation system. The question then becomes, should the member be authorized prior to your military personnel appropriations funding for military orders to cover the timeframe between the demobilization and the present disqualifying diagnosis?

Another important concern is the ability to retain those personnel who have been mobilized for and have volunteered to support contingencies. While Air Force Reserve recruiting and retention have met or exceeded our overall objectives, during the last five years we're encountering a trend of levels of expertise that are slowly but surely diminishing as more and more senior personnel retired. Though they are patriots, we have put lots of them through many and various and sundry positions in which a decision must be made between their primary livelihood and support network and the Air Force Reserve and the risk of getting mobilized yet another time and being deployed again.

I, along with the enlisted men and women of the Air Force Reserve, thank you for the opportunity to share with you the concerns of all of the members of the panel. Your citizen-airmen are here today. We are here for our country. We proudly profess that we are one Air Force, the same fight. We provide ourselves in being a ready force, an unrivaled wingman in the total force. I look forward to your questions.

MR. PUNARO: Thank you, and all of you all, your testimony continues and will be extremely helpful to us today and we get ready for the Q's and A's here. And let me just say upfront before I ask the first question – in just a second, I'm going to be switching places with Commissioner Will Ball, who is going to chair the hearing to its conclusion after my questions because I have been summoned – probably summoned is not the correct word for an independent commission, but I have been given the opportunity to brief Secretary of Defense Rumsfeld's Defense Policy Board this afternoon on the work of our commission and I'm going to be well armed with some of your concerns.

These are – as you know, the Defense Policy Board is a group of independent outsiders, former secretaries of defense, two speakers of the House, very, very distinguished men and women, several governors who advise the secretary of defense and they are very concerned about the Reserve situation, so they have given me the opportunity. And I apologize in advance. It's not for lack of interest in what you're

going to tell the commission, but I do want to take advantage and I'm going to tell them I just came from hearing from our senior enlisted advisors and they ought to hear from you too. So I apologize for that in advance, but I will study the transcript in great detail and I appreciate Commissioner Ball taking over for me here in a second.

But let me ask the first question. As you all know, you have been in many jobs in the military. You've been in staff jobs. You've been in operational jobs. I would consider, as I said at the outset, you know, you're working for the chiefs of the Reserve component, the operational – what I would call the operational side of the military, the troops in the field – and just like our combatant commanders, there is always a healthy tension between the operational side and the combatant commanders that are out there fighting today's war and the service chiefs back in the building that are worried about making sure we had the right people, equipment, et cetera, five year down the road as well.

And so there's always – we're always going to do what it takes to take care of the troops in the field and you all doing that and doing that remarkably given the stresses and strains, but what I'd like to ask – my question is – I'd like to ask you to take off kind of your day-to-day operational hat and really put on more of a service chief hat as you look and let's take as an assumption – and I think, in our findings, we have already postulated the most complex, diverse threat. It isn't going to change. Everybody that's testified before our commission in the last couple of months says this pace is going to keep up. It may not necessarily be in some of the locations where we are now. We're getting ready to have predicted the busiest and even a more intense hurricane season this year than we had last year. The threats to the homeland are certainly greater than they were, you know, 10 or 15 years ago and we know people worry about the wear and tear, can we sustain it and when does the – are we wearing the force out?

All those are good questions, but it's kind of neither here nor there because the war we're going to deal with five years from now, we've got to be ready to deal with it then just like you all are dealing with it now. So my question is going to be sort of – so put your service chief hat on and what are the two or three things as you look to making sure that our Reserve personnel and Guard personnel five years from now are in the same enviable situation that you have your current forces that are actually out there deployed or getting ready to deploy, doing their job each and every day, making due in some instances – what are the two or three things – you know, we've heard – and you can repeat them. I mean, I just want to emphasize it to make sure I understand these are the things we are worried about for the future as well as now. We've heard recruiting and retention, equipment, benefits, so don't worry if it's repetitive, but again I'm asking the question.

You're taking kind of your day-to-day operational hat off, you're putting your service chief hat on, and you're responsible for organizing, training and equipping that force for the future. What do you worry about? The things – the two or three things you worry about most in terms of having that – those forces ready to deal with the complex

and diverse threats overseas and at home we know we're going to be dealing with five years from now.

And why don't we start with Command Sergeant Major Jones and we'll just, for the rest, you know, to make it easy, we'll just work from my right to left for the rest of the questions. So, Command Sergeant Major Jones.

CSM JONES: What I'm concerned about as far as soldiers are concerned are that in the future if they do not feel that their service is respected, if they're not duly compensated – that doesn't always mean equal – that they will not stay, nor will their family members continue to support them – and compensation being equipment, being benefits – all that's part of the package.

But, I'll go back to my initial statement. They are serving this country proudly. Every mission that we have been given, we've done. But there has to be dual or there has to be compensation of work where a soldier and family walks away saying, yes, I've chosen to this; however, my country – be it Congress appropriation of equipment and benefit – they're going to take care of us and, therefore, we are willing to do whatever we need to do for how long we need to do it. We are duly compensated and appreciated and respected. If that's not there, they're going to walk, now and in the future.

MR. PUNARO: Thank you.

CSM GIPE: Mr. Chairman, I would say without a doubt the equipment issue is the number one issue. Congress has been very generous in allocating \$21 billion for us to reequip our force up to 2012, but honestly that's a drop in the bucket, and that helps fix us somewhat. It still leaves us far short of where we need to be. And as I stated earlier, without equipment we can't train, we can't prepare for our role, whether it's homeland defense, war fight. And if we can't train, we don't have equipment to train on, our folks aren't going to stay.

They're there to train and they want to do the missions. You can tell that by the retention rates we get from our units returning from overseas. I'm proud of what they're doing. They want to be able to train – maintain that level of proficiency that they fought so hard to get to at this point in time, so equipment without a doubt is the number one issue – that and if we can get predictability through the deployment cycle as it's laid out in – (off mike).

MR. PUNARO: Thank you.

CMS SMITH: Thank you. In the Air National Guard we don't really have equipment issues. Although some of our planes are old, we feel that they're best in the air force because of the way we maintain them. So the equipment, training, and predictability I think we've pretty well got covered in the Air Force.

But as we look at the Air National Guard, I look at recruiting and retention. Obviously, there are some issues that you can wake up at night thinking about. When I think about our force right now, it is 28 percent retirement eligible – that scares me. They could virtually walk out the door today. That's a pretty significant number, but that's always been there. So I think, as Sergeant Major Jones talked about, as we look at how we compensate those people for a different force today – it's no longer one weekend a month and fifteen days a year, it's a different force. As we look at the initiatives that we have to recruit them and to retain them, I think we need to look at the benefits: the access to TRICARE; not free TRICARE, but at least the access to the system and the retirement plans that maybe can be altered that we have talked about – several of us talked about. So I see that as – when you look at, you know, down the road for the Air National Guard.

MR. PUNARO: Thank you.

FORMC PENNINGTON: Thank you, sir. Yes, sir. Relevance, I think, is crucial. You know, if I could point the new combatant command that we just stood up in the United States Navy for expeditionary and how excited our Reserve component is to be integrated in a part of that, we need to find that kind of relevance and it does equate to things like retention and the people lining up to get in those communities, whether it would cargo handling or EOD or coastal warfare – you name it. This is what's exciting and this relevance I think is the one hook that keeps these great Americans coming and will keep them to stay, so I think that's one aspect of it.

And in the Navy I think we need to find that same type of relevance for our Reserve component and answer the mail with regards to our aviation units and direction we're headed there and our surface commands as well. The ability to do that job – and it gets into allowing folks to flex around with drill, participation, chunk days and, you know, be flexible with regard to their employers and get to the, you know, supported commands doing meaningful work – and, again, it's all hinged under that term of relevance in my opinion.

And then obviously the compensation piece we continue to talk about and I just want to submit, sir, I have never seen our sailors do more for free in the history of our Navy Reserve. I am constantly running into sailors go on a drill weekend quite honestly and just kind of break even. Some of them are even paying to put the uniform on and come to work out of their own pocket and I think we need to do something about that.

A lot of that hinges on this issue of travel and compensation in addition to paying them their drill pay, because I think that the – I guess you could say the way we calculate pay is outdated now. When we start BRACing bases and folks are traveling 350 or 400 miles to get to a site, our senior enlisted right now, we are detailing to requirements with the active component. And in many cases, these folks are having to travel cross country and pay for their own flight – plane tickets, so I think one piece of the compensation hinges on the travel entitlements to allow them the ability to get to the gaining command and do meaningful work, all under that one term if I could summarize: relevance.

Thank you.

MR. PUNARO: Thank you. And I think for audience is worth noting to underscore that point for people that aren't as familiar as all of us are and certainly our witnesses are. Reserve personnel are not paid to go to drill. If you – for example, I'll use one I'm more familiar with. If you are at Marine Forces headquarters and you are in headquarters battalion in New Orleans, yet you live in Kansas City, Missouri, you have to pay your own way to go to your drill site and that's the same across the board because the current DOD rules, policies and procedures do not permit reservists to be paid. And of course we had now a different phenomenon, as you indicated. People are having to go long distances because of where the units are located and they pay out of their own pocket.

So that was the point you're making and it's well taken. And Patty Lewis, who's our next questioner – she's heading up our subcommittee in that area and I know she's very concerned about it and will pay a particular attention to it, so thank you for allowing me to put that explanation on the record.

Sergeant Major Holland?

CSM HOLLAND: Sir, the big issue that I hear, and I hear this as much from family members as I do to service members themselves of each of these great services that sit up here, and the concern is the idea that at one time the garden reserve was equipment sourced and people up to 75 percent. Well, now we certainly – you know, the combatant commander does not want 75 percent of a battalion. He wants the whole battalion.

Well, that's what we're fine and well, but as Sergeant Major Gipe already mentioned about equipment, everyone thinks it's very, very good to have X amount of dollars committed over the next 10 to 12 years for equipment, but that will barely get us back to where we were at the 75 percent rate.

Sir, if we're going to be an operational reserve, which we are, then we need to stop thinking strategically. We're going to have to get up to a 100-percent equipment, 100-percent staffing for our personnel and that's going to have to be sustained.

And a thing the family members tell me is, Sergeant Major, what's going to happen when and if the OPTEMPO does a downturn? Is it going to be forgotten or we're going to be to the point that everyone's going to forget about all the extra tours that my loved one did to do their job, which they are very pleased to do. But what's going to happen? We need to make sure that we stay true to the men and women of our services and that will help the future of our reserve force, sir.

MR. CHAIRMAN: Thank you.

FORMC SMITH: Yes, sir. I certainly agree with everything it's been said to this point and roger up to that. I would just like to add one perhaps slightly different point of view. As you mentioned looking from the service chief's perspective, I would take a strategic view there and also looking up beyond that. I think we have to look at the relationship between the active component and the Reserve component simultaneously; I think – but together, collectively, not on parallel tracks.

And what I mean by that is that many of our folks come to us from the active component and many of our reservists are more than willing to go and serve on active duty for extended periods of time, even beyond mobilization. And I think how we as the services can find a better way to manage the transition between components so that – because we're going to have issues on the active duty side as well as we go forward, not just within the Reserve components. And how we have a better or easier way to transition – there's a lot of rules and a lot of obstacles right now: some services doing better job than others. But, in my view, for the long-view, strategic perspective, we need to take both the active and the Reserve component and find a way to meld them better together in terms of service.

Thank you, sir.

MR. PUNARO: Great. Thank you.

Sergeant Major Dixon.

SGTMAJ DIXON: Yes, sir, General. As I had mentioned earlier, the Marine Corps Reserve is primarily made up of first-term Marines. About 71 percent are first-term Marines. So I don't think we have a big concern there. We're going to continue to recruit these first-term marines and I think we're going to be pretty good there. It's a lot of hard work for our recruiters, but they are doing great things for us and we're getting those.

What we need to be concerned about is in the leadership of our units: our NCOs and our staff NCOs and our officers. As you know, you can have all the lance corporals and below and you can fill a unit out with them, but if you don't have the leadership to lead them and train them, then you don't have a good force. So we need to be – we need to be concerned about that and one of the – an example of something that we're doing in our Marine Forces Reserve is, as you know, our prior service Marines – we rely heavily on prior service Marines that come from the active component into our units and they bring with them that leadership and their experiences.

Now, with the global war on terrorism, as long as it's been, many of the Marines getting off of active duty these days have had two or maybe three tours in Iraq or Afghanistan and probably the last thing they want to do is join a Reserve unit they know is on the chopping block to be heading back over to the war.



So, one of the initiatives that we have done and the commandant has approved for us is that our prior service Marines, if they join a SMCR unit, that we guarantee them that they won't mobilize and activate for at least two years. And so we feel like that's going to help us out. That's one of the initiatives that we have there.

Another concern that we have is our junior officer population – our company grade officers. And once again, it's hard to have a good, well trained, and well led unit without those junior officers and we are hurting, to be frank with you, in that area as I'm sure you're aware, sir. And the reason being is partly because, as you know, our officers corps in the Reserve come from the active duty component. They come on active duty, they do a tour on active duty, and then they join the Reserve after they complete their active tour. So, therefore, normally when they get finished with one of their tours they're probably a senior captain or maybe a junior major and they come and join our units, so therefore we're kind of lacking – we don't have a lot of first lieutenants, second lieutenants in the reserve, so we're doing some things there with these great NCOs and staff NCOs that have combat experience now.

We have some initiatives to try to get them to join the officer ranks and try to fill up some of those junior officer billets with our prior service active duty Marines and Reserve Marines.

And then once again, as I mentioned earlier, equipment. We have to be concerned with equipment. Like one of my colleagues here said earlier, you know, Marines don't want to come to drill and stand around. We've got to have equipment for them to train on and good training for them and so we need, obviously, good equipment and the latest equipment and the same equipment they're going to use when they go into theater. And that doesn't necessarily mean they have to be TO – each unit has to have their TO of equipment; however, they need to have a training allowance.

And other things that we're looking at is simulation. There's a lot of simulation out there that we can use. You are probably aware of the convoy trainers that we have purchased and we're using now before our units deploy – a great, great piece of equipment that does simulation, so we kind of headed in that direction.

MR. PUNARO: Great. Thank you. Chief Master Sergeant Winsett?

CMS WINSETT: Sir, I think that if you look at all the components that are represented at the table, we are effectively going to boil down to approximately four areas, one being funding, which relates to training, which equals readiness.

Two, I think it's absolutely compulsory that we look at existing laws with respect to revisions to those laws and the impact that it has on the Reserve person or the Guard person. I think we need to definitely insure that there is fair and equitable treatment afforded that reservist or that Guard person in his or her desire to be a member of our Reserve forces or Guard forces.

In summary, I think we also need to ensure that there is predictability. You look at the table here and all of us raised our hands on numerous occasions and ensured America that we would be here to do what you ask us to do, and we were fortunate enough to have the family that supported us. So we need to ensure that in those recruiting affairs that we recruit the right person for our service, but we have to retain the family. So we need to do whatever is necessary in those efforts to ensure that those families of those men and women that are deployed, be it OCONUS or within the confines of the continent of the United States, are taken care of.

MR. PUNARO: Great. Thank you. Our next questioner is Commissioner Patty Lewis, who I mentioned is chairman of our personnel and compensation subcommittee here on the commission and it's going to be her job, working with all of you, to solve all these knotty problems. So, Commissioner Lewis?

MS. LEWIS: I am sure we may need to call on you in our subcommittee again in the future on some of these issues as we get a little further down the road, but first I want to tell you how much we appreciate your service to the country and to being here today and sharing your views. And you've done an excellent job of each giving us a piece and I know it's challenging when we have so many witnesses at once.

We understand that approximately 58 percent of all service members are married and have dependence and are following on the last set of remarks right now, we are increasingly concerned of our family support programs. Family support is key to continued service. You know that better than we do.

Could you please give a short assessment of your family readiness programs, the most important need that it's not being met, and what you think could be done to support these programs? And I know it's a fairly broad question, but I am sure that you have some specifics in mind given the experience of your particular components that would help guide us as we try to take on some of these issues?

Let's start at this end this time and go back, if that's all right.

CMS WINSETT: Ma'am, within the Air Force Reserve we have a tremendous family – (audio break) – to deploy. The organizations in which I visited where we've had deploying reservists, our family support mechanism is present. I would suggest to you, though, that that is probably something that we need to ensure is made available to a Reserve person 24 hours a day, seven days a week, because there are instances where in fact that particular duty is only manned during a certain period of time. But I think based upon today's environment that the family support arena is something that, in fact, needs to be made available to all Reserve personnel 24 hours a day. It's critical. The organizations within the reserve command will do whatever is absolutely necessary to ensure the support is there for the families and that they are given the absolute tools and necessities that they need while their loved one is deployed.

MS. LEWIS: Sergeant Major Dixon?

SGTMAJ DIXON: Yes, ma'am. I think – and everywhere I have been and the families that I have spoken to think that we have a pretty good family readiness program in the Marine Corps Reserve. As you know, the Marine Corps is a total force active – we call ourselves the total Marine Corps force and we use the same family readiness program that active component uses.

And I'm not sure if you're familiar with our key volunteer network program that we have, but basically just to give you a basic idea of what it is, each unit down to the company level has what's called a key volunteer network. And what that amounts to, it's spouses within a unit who we have brought in and trained on – to be key volunteers. And basically what they do, they have a portion of that command – the spouses in that command that they're kind of responsible for looking after and taking care of. They're there to – if questions come up, problems come up, whatever the case may be whenever their Marine is deployed – maybe their Marine is deployed and a car breaks down and a young spouse doesn't know where to get it fixed. Well, they can call their key volunteer and the key volunteer can give them some ideas and point them in the right direction and help them out. That's just an example of things like that. So every unit has that. We spend a lot of time training them up on how to do that, and it works quite well. And that's coming from the families that I speak to through the country.

Another program that's out there that has worked real well for us and I think is a great program, and once again that's what I get from out in the field when I talk to the families, is the One Source program – Military One Source. That was – that program was tested in the Marine Corps. We used to call it Marine One Source, and then I guess the Congress or whoever funded it for all the services, and now it's called One Source – Military One Source. A great, great program, and the thing that the families like about that program is the fact that when they pick up the telephone and they call it at the number, they don't get a recording on the other end. They get a live human being to talk to, 24-hours a day. And they're staffed with experts about whatever problem you may have or you may encounter. There's somebody live on the other end of the telephone that they can talk to.

And I don't have to tell you, I'm sure, but in order for our Marines to go and do what we ask them to do and be focused on their mission, they have to be assured their family is being taken care of back at home. And I think we've got some pretty good programs with the key volunteer network and the One Source. And then also, no matter where our unit, where they may be, where the families may live, they also know that at any base, whether it be an Air Force base, an Army base, a Navy base, or whatever the case may be, they know also that they can go to that base if it's close enough and they can use the family service centers and support centers that are on that base to help them out also.

MS. LEWIS: Thank you.

FORMC SMITH: Good afternoon, ma'am. The Coast Guard, we have some challenges, frankly, in terms of just – as we're – so many of our units are remote, and we're in out-of-the-way places on the Oregon coast or up in Maine or whatever. But that said, we have two programs which actually work very well through our work/life programs called EAP – Employer Assistance Program – which is fully available to reservists. It provides a wide variety of resources from issues on healthcare, relocation, retraining, assistance with employers, just a variety – everything that is available to an active duty member is also available to a reservist.

Again, our issue has just become points of delivery because they're kind of coalesced around larger areas – let's say, in this area down in Portsmouth, Virginia, but we might have folks hundreds of miles down the coast that are serviced out of that one place. But we're doing a lot of things with technology to try to alleviate that using some computer-based things which make it easier for the members to access those services.

The other thing is our ombudsman program. Every unit – and as I said in my testimony, we reservists work directly for the active duty component. They are our admin and operational command. And each unit within the Coast Guard has an ombudsman, and that is typically a spouse or someone – not always a spouse, but typically a spouse who works with the command to pass information to the members of the crew as to things that are going on and services that are available to the families and to the members. Each of our port security units has an ombudsman. They've – we have formalized training for the ombudsman and as a matter of fact we're just in the process of publishing a new ombudsman guidebook, so we have a lot of good programs kind of tailored to our unique challenges with regards with delivering the service.

The other thing I think we need to do, all of us, is to do a better job leveraging the other folks out there that can help us – folks like ESGR – particularly when it comes to – obviously to the employment side. And we need to continually reach beyond the member and educate the families. A lot of times the members are well meaning, but sometimes I think they're like my three sons: and they don't always remember to bring all the papers home from school. So I think we need to reach beyond the member, and the member is very focused on training, getting ready, being prepared, and we need to continually find ways to reach out to the families and to educate them so that spouse and that family member has the information and can ask the right questions, particularly when their spouse is not available.

Thank you.

CSM HOLLAND: Ma'am, this goes back to my comment earlier about communications. The group here – the council here will talk to you about the good programs we have, but tying all these programs together – and Military One Source does a good job of it, but I think helping our active component brothers and sisters know more about us and us know more about them and the types of families.

At times, Sergeant Major Dixon has a different group of folks he's dealing with in the Marine Corps Reserve because he has a young force. You take the rest of us, we have a more aged force, a more mature force – that's what I call it – and so some of the needs are very different. Whether it's an ombudsman program, a family support program, I think it's very, very good that a lot of them are working really good, but I really would like to see us partner. And I'll use two organizations that I know about, home services, YMCA, National Military Families Association.

I think we – if we would run this like a business – I'm sorry, I used to be a businessman, that's the way I think, okay? We could tie these organizations into our family support groups. They're doing summer programs right now. Some installations are doing summer programs. If we could join together, we could service more of our communities that are mobilized and have these needs then we're doing today. So our return on investment could be a lot more. I'd really like to see something like that looked at, ma'am.

Thanks for your question.

MS. LEWIS: Thank you.

FORMC PENNINGTON: Thank you, ma'am. I think the Navy has a great story to tell here. We haven't arrived, but we've made some great strides in the last couple years. Similar to the Coast Guard and Marine Corps, we're tied in with the active component on an ombudsman program. We have ombudsmen at the active component gaining commands, but we also have trained over 100 ombudsmen last year, and we're on track to train over 100 ombudsmen this year across the country with regards to the Reserve component.

One thing that we found was an issue was the communication of those ombudsmen; specifically, for example when a sailor is mobilized, if they're in San Diego and their home is Butte, Montana, how does the ombudsman in San Diego really know how to help a family in Butte, Montana, and the communication of those two? The Navy Reserve Force hired a family readiness coordinator this year to help facilitate communication across the active and reserve component and is also very involved in the training aspect of our ombudsman program. So we're very proud of that. I think that was money well spent, putting money where our mouth is, if you will, with regards to family support and family readiness. Very, very proud of what's going on in the Navy with regards to the ombudsman program.

The family readiness coordinator has also worked the joint issue, and we on this panel have collaborated extensively on sharing our working resources and looking at ways that we can have a purple family readiness outreach across the land. And I think that we're making great strides. I mean, a family can go into any location – base station in the country and get an ID card or something.

But I think that we can still make strides in the direction of really improving communication. Military One Source has been fantastic. I used it at tax season this year myself. So our usage of Military One Source in the Navy Reserve has went up 45 percent. It is an incredible benefit that our families are really chomping on, and it goes beyond getting the taxes done. So I just cannot say enough about that organization and how the Department of Defense, I think, really put it on the mark, knocked it out of the ballpark with regards to One Source. We need to keep that organization going in my opinion.

I'm very, very excited about what happened on the heels of Katrina in the United States Navy. Our chief of naval operation, Admiral Mullen, felt incredible passion and need to touch every family that was affected in that Katrina. We stood up a Navy Task Force family – Navy Family, and this was headed up by one of our Reserve component admirals, Rear Admiral Passmore and his wife, along with the master chief of the Navy's spouse and over 20,000 families were contacted after that hurricane, and today we still have about 600 files open where folks are receiving counseling and assistance on the back end of Hurricane Katrina. Task Force Navy family is still established and available in the event or the occasion of a response on any catastrophic event, and I think that's a foundation that's there and available.

And the last thing – and how many times do you get to talk about – we're talking about Navy families, how often do you get to mention your wife in a congressional testimony? My wife Theresa (sp) was actually involved with seven other fleet and force master chief spouses on a beta course for senior enlisted spouses. And when senior enlisted members of the United States Navy go to training for command master chief, for example, we now have a weeklong training curriculum for their spouses. What a novel idea. And we had our first course a couple weeks ago, but Theresa was able to go up and be in that opening class and study the curriculum, and then we actually had our CMC/COBS bring their spouses with them for CMC spouse training. And I think that that is a step in the right direction to educate the spouses of our senior enlisted leaders as they involve in family readiness.

Our pre-deployment involvement has just made astronomic steps forward and our return reunion events are eye watering for our families coming home. So we're really stepping down and prioritizing our families and it's the right thing to do.

Thank you for the question.

MS. LEWIS: Wonderful.

MR. BALL: Let me interrupt, if I may, Commissioner Lewis, and ask our remaining three panelists to give us the – this is an important topic, but if we can get the short version of the answer from the remaining three – we've got about 40 minutes left for this hearing, so we do want to have turns for other commissioners to ask questions. If we can ask you to condense it a bit, 60 seconds would be great.

CMS SMITH: Yes, sir. (Laughter.) Wow. Short version, ma'am. In the Air National Guard, up until the year about 2000, we did it with volunteers, and we did a very good job and we begged and borrowed anything that we could from our Army Guard partners in each of our states, but in the – about five or six years ago we allocated a full-time contract position to each of our 88 flying wings and a budget. And what that has done is it allows a full-time person at each base to run those programs, to take care of those family members that are deployed, to work with the state headquarters through adjutant general's department where we have some additional fulltime force – that I'm going to let Sergeant Major Gipe use his 60 seconds to tell you about – (laughter) – along with the support centers. But we think our family programs is – has come a long way. It's very, very, very well heeled and involves a lot of volunteers that are trained to take care of our families.

MS. LEWIS: Thank you.

CSM GIPE: Sixty seconds for a guy with a southern drawl is a whole lot – (laughter, cross talk).

Currently we have 360 family assistance centers spread out throughout the country. We had a peak of 454 a couple years ago, and when we – (inaudible). In the past two years they've answered over 3 million phone calls in those assistance centers for help, and that's spread out to all components, all services. They do a tremendous job for us. They're a tremendous asset. The biggest issues they have are funding. As you know, funding is a big issue for a lot of things, but the money is not there allocated for them, and so we end up having to pull it from someplace else to fund those, which affects other areas, which is unsatisfactory as far as I'm concerned.

Availability of service post-mob (ph) for soldiers, that's another big issue. They get a lot of calls, but having the services local for the soldiers should be able to get to is a huge issue. (Off mike.)

MS. LEWIS: Thank you.

CSM JONES: Ditto, sir. (Laughter.) One thing: Having services available for those areas where our families are away from the installation is critical and that could be in the civilian community as well.

As some of the things that we've done in 10 seconds or less; number one, expanding pay positions, contractors as well. Also we've expanded it to nontraditional family members. Typically we think of spouses, but they could be mothers, they could be grandmothers and grandfathers. We have a very diverse population in all of our services here.

The next thing, we've really concentrated on the youth as well. Operation Purple Camp for our family members or our youth that are not in a traditional military setting, going out to the schools and explaining to the schools what those things are to expect

from the community, that goes a long way with the youth and the families and the soldiers. There are going to be some changes in that family in supporting them.

We are not family support groups at all, we are family readiness groups to prepare them, keep them that way all the time. The other thing that I would like to emphasize is that we have designated youth groups, designated youth councils as well, to incorporate all the family members in our family readiness groups now, and that is one of the bang for the bucks if you will, without the bucks, that we're getting in the Army Reserve to incorporate everyone; traditional, nontraditional, and youth that have a say in what they need, not what we think that they need.

MS. LEWIS: Thank you all, and I will just say that I deliberately did not mention One Source in the question because I felt if it was important to you, I'd hear it, and I did. And I appreciate the combination of the DOD-wide initiatives and the service component initiatives that you recognized. And I apologize for taking so much time, Mr. Chairman, but I think that it was an important question. Thank you.

MR. BALL: Thank you, Commissioner Lewis. That is an important question. I think we got some excellent testimony. And we'll call on now Commissioner Stockton. And let me ask Commissioner Stockton and the other commissioners, I'm sure our panelists are happy to respond in sequence and – but if you have a question that can be addressed to two or three members of the panel, it might expedite things, recognizing this end of the panel has not yet had as much time to talk as this end of the panel. (Laughter.)

Please proceed, Commissioner Stockton.

MR. STOCKTON: I think I can do better than that. I may just call on one person to answer some of these questions, and I think all of you are – and I share, I think, with what all of you are saying about how important our most important resource is, and that's our personnel. And so I want to focus a little bit down into the weeds on personnel and compensation issues. And I direct this one to the sergeant major that rhymes with "gripe." (Laughter.) The current planning metric – or first let me say that studies show that nearly a third of the men and women surveyed indicate they leave the National Guard and Reserves due to employment conflict. The current planning matrix for the future Army Guard activations is that members can be expected to be mobilized about one year in six. Do you feel that this type of OPTEMPO will allow the Guardsmen to complete desirable career – civilian careers, and will the employees with this type of commitment be desirable in the civilian workplace?

CSM GIPE: Sir, that's a great question. And one thing I need to clarify, though, in the ARFORGEN model, units that are in that one-year window are available for deployment, and in current models they are not necessarily going to be deployed. That is their available window. If you look it up, of course all things can change, Commissioner. If things continue as they are currently with the number of soldiers who will leave, probably only about half of those soldiers or those units that are in that window will



actually be mobilizing, so that stretches that out, if you think about that, to a much greater time than this.

I think predictability there is the key, though. If we can do that and get our units set so we're – they're in that cycle and they have a predictability out there, and we can shrink the deployments to 12 years – I mean, 12 months – (laughter) – 12 months total –

MS. STOCKTON: Yes.

CSM GIPE: – 12 months total, and that will go a long way. And I think for the most part, employers are – would be willing to do that. And I think soldiers can have meaningful careers. I, myself, have been on a leave of absence for almost five years now, so I'm very fortunate to work for a major corporation.

The ones that it won't help are the small businesses and the self-employed. I really don't know if there's anything that we can do capability-wise that will help the small business or the self-employed especially. Small businesses, even though I talk to some soldiers who work for small businesses and small business owners themselves, if we can get it down, they can work for one year. They can get by with one year. That's stretching it in a lot of cases, but they can do it. Anything past that and anything more often than once every five to six years is – we're going to have employer issues.

MS. STOCKTON: I'm glad you clarified one thing: that one in six might be a figment of the imagination in some respect because when you consider the pre-deployment and the post-deployment time, you could be talking really about a lot more than 12 months. And if you could – and you said on the record to get it down to 12 months would be beneficial.

CSM GIPE: Absolutely. I mean, absolutely. And we can do that?

MS. STOCKTON: Good. We've addressed this question to you also. We've spent some time and we've heard a lot of testimony about the new operational Reserve versus the former strategic Reserve and the fact also that we may still have times when we need both at the same time, and the possibility of some things that are not predictable. You can't program hurricanes and floods. And then we have other missions that come up like assisting with the border, and then who knows what's going to happen abroad that could have another theater of operations? So many things are not predictable. So do we run the risk with this unpredictability of perhaps overusing the National Guard and Reserve? Or have we reached that point now? Or what would you say about that?

CSM GIPE: Sir, another great question because there's a lot of rumors out there in regards to this. Let me just put it this way, if I might: last year when Hurricane Katrina hit, we put 50,000 soldiers and airmen from the Army and Air Guard down there in that area within seven days. On top of that, we had eight brigades over in Iraq, another two in theater. And you have to remember, these were the old-size brigades, so they're actually equivalent of that 12 active duty brigades now, the BCTs – brigade combat units.

We had a lot of soldiers deployed, had a lot of involvement with Katrina, still had our everyday missions and forest fires and everything else. And even on top of all that, we were still at only about 33 percent, if I remember right, or 35 percent of our total force just in the Army National Guard. So I don't think – I think a lot of that gets played out to be a lot worse than it actually is. I think we get into ARFORGEN cycles. And they've looked at that as far as what's – what units would be available to react to homeland defense missions, state emergencies, and that kind of thing, and that's – I don't foresee us having any problems with that issue.

MS. STOCKTON: Does any of you have a comment on that?

CSM HOLLAND: Sir, I guess the real point here is the idea that, as I stated earlier, we're trying to do a lot of different things; reshape each of our militaries. We have the Navy downsizing, the Air Force downsizing, and then we have the Army upsizing, we have the Marine Corps with a small upsize. Sir, when you're trying to do all those things at one time, and then fight two wars at the same time, and then try to keep up with the other 220 countries that we're in, it does get to look like we're going around in a circle.

But I think the cycles are getting better, the predictability is getting better, and our planning and process is getting better. Now, as you already stated, if something else drops out of the ceiling tomorrow, we could be in deep trouble. But I think everyone in uniform today realizes that, and when you look at the retention rates, we have never had retention rates the way we do today, and I think that's commendable, sir.

MS. STOCKTON: Thank you. One more question, and I direct this to Sergeant Major Jones. The assistant secretary of defense for reserve affairs has told this commission that over 120 legislative changes have been passed in just the last two years that affect the Guard and Reserves. The goal of much of this recent reform has been to achieve fairness in compensation – differences between the active component members and reservists when performing the same duties. Do you believe that disparities still remain, however, between active and Reserve compensation? And if so, where would you suggest that we focus our attention?

CSM JONES: Yes, there still are disparities, I would say, and one of the – several of the areas already have been mentioned, one being that the BAH book (?). And there was a change, and it's down to 30 days. But that's number one. If the mission is the same, if the duty type is the same – on active duty or whatever the reason is, you have been asked, either called, or it's part of your obligation, then the compensation should be equal or equitable. That's on the BAH.

The second piece, again, the active component and full-time Army Guard and Reserve, retirement is based on service, not age. Those would be two key areas that I would say in terms of compensation, but it is not there yet. There have been a lot of legislative changes and that's fantastic. But as I always like to say, a bullet or an IED

knows no component, so if you're performing duty, the risks are the same, then the entitlement and the benefit should be the same, right?

MS. STOCKTON: Thank you, and thank all of you for what you do and for being here today.

MR. BALL: Let me ask Sergeant Major Holland if he has anything to add to that point?

CSM HOLLAND: Sir, you know, of course that's my boss's comment, and – (laughter) – and – but I don't have to worry about that since you've already heard I'm retiring.

MR. BALL: You're the service chief today, remember. (Laughter.)

CSM HOLLAND: And I don't worry about a Reserve NCOER, but, please, the thing that we must continue to remember is policies need to be changed. We are still running on some mobilization policies we're working to change today that was created back in the '50s and '60s, and there are still a lot of things out there. I echo what my fellow servicemen and women were saying up here. We have some work to do. We know our council has some work to do and it's our responsibility to get those issues up in front of Secretary Hall and the reserve chiefs, sir.

MR. BALL: Thank you.

Commissioner Thompson?

MR. THOMPSON: Let's see, Sergeant Major Holland, I sense that you're the chairman of this council. Is that correct?

CSM HOLLAND: I am the chairman. Yes, sir.

MR. THOMPSON: Yeah. Okay, then to you, I'd like to just direct a request, and then I'll ask a question. Going back to your statement that some of the mobilization regulations and policies were generated from laws that were established 50 years ago, the categories of reservist were also created that long ago when we created the Ready Reserve and then Selective Reserve and the IRR come under that, and I think the standby reserve is a box, am I right?

CSM HOLLAND: Yes, sir.

MR. THOMPSON: And retired reserve is another box.

CSM HOLLAND: Yes, sir.

MR. THOMPSON: Is there anybody – I would request that your council look at a clean sheet of paper and give us some idea of what you think a 21<sup>st</sup>-century organization should be and not – don't be bound in your thinking by anything that's in law today because we have an opportunity to advise the lawmakers what it ought to be. But I – it doesn't seem like there's anybody thinking that right now, at least that I found, and so I suggest that maybe that's something you all would think about. It seems like we're trying to bend operational reserve around the current construct, and I'm not too sure that we have to do that, at least based upon the opportunity we have here.

Now a question, let's see – first I want to – I had to laugh to myself internally because I remember the first E-9 I met in 1970 when I reported to my ship on the first day, and I think if I had gone into the (gold ?) locker and found you eight there instead of the one master chief, I'd have jumped over the side, I suspect. (Laughter.) Looking at all the ribbons and stripes that you're wearing, you're a credit to your services.

But, first, it seemed like every service has really a different definition of integration. I don't know if I can say that's an official finding of this commission yet, that certainly I have found differences of opinion depending upon the uniforms that you wear. So that aside, can you do with – can the activities of training and readiness maintenance done by the full-time support be done by another entity, either the active component or a civilian hired labor force so that that large expense, part of your operational costs, can be transferred to end strength in the traditional Reserve or selective Reserve site? Would you address that for me?

FORMC PENNINGTON: Yes, sir, that's a great question. As an FTS sailor for over 25 years, sometimes I get a little protective of the full-time support program, although as I look and compare notes across my counterparts here on this table, percentage-wise we're pretty big. And there are a lot of people studying and taking a look with flagpole studies on the full-time support. Out of our 72,000 Reserve component sailors, we have about 11,000 and some change, and I feel like that number will probably go down as we continue to look at integration. There are a lot of different views on it, sir. With regards to –

MR. THOMPSON: Well, I was at – let me –

FORMC PENNINGTON: – for example, the active component perform in the mission, there are some significant differences with regards to terminology and the way that we do business, and I will – would like to go on record and say I think we need to continue to aggressively pursue a one pay and personnel management system. That would definitely help facilitate some of this as well where we're kind of on the same page with regards to pay, how we transition.

The Coast Guard mentioned the transition between the AC and RC. We just integrated our recruiting force across the board. And we have RC and AC now in a joint recruiting team, and it's taken a lot of work, and – oh, by the way, we're still learning with regards to the different types of programs, the paper trail, the medical requirements,

et cetera, et cetera. So integration goes beyond people, it goes beyond systems, it goes beyond policies. It's, I think, inclusive of all of them. And I will be honest, I have learned quite honestly in the year that I've been in this job that really some of it does become semantics. It's just about the mission and what we have is a lot of great folks, just sailors, one total force, one Navy, wanting to work together and try to get it done. And so –

MR. THOMPSON: Okay, I'm going to shift. Sergeant Major Gipe, because I think you made a statement in your initial remarks that you thought that there was a need for additional full-time support or AG – or AGRs, am I correct, in your service? Now my question to you then, to just pile onto what I said to the force master chief, can you do without them in total and have the active component responsible or a civilian entity responsible for that element of your business?

CSM GIPE: We possibly could with regards to – (off mike) – technicians, which is another piece of our full-time force. They perform a lot of issues such as maintenance on our equipment. As far as the operational training part of the AGR mission, there is no way we can replace that with civilian counterparts – (off mike).

MR. THOMPSON: Okay.

CSM GIPE: There may be some certain roles that civilians – contractors could help in, but I would be afraid to push that too far, so I think that there are certain areas that need to be handled by military – by the military and the training and operations pieces are definitely one area – (off mike).

MR. THOMPSON: Thank you.

Sergeant Major Holland, have you added up the years of service amongst the eight of you?

CSM HOLLAND: No, sir. No, sir.

THOMPSON: I'm just curious. Do you want to state that for the record?  
(Laughter.)

CSM HOLLAND: Mr. Thompson, I would just like to say, it is a good question about could somebody – specifically if I could talk to the civilianization of some of our military requirements, could somebody else do it, and I think the answer is yes, but is that really the right answer? I mean, there are a lot of people smarter than I that are looking at budgets and can talk retirement and how much that costs over a military member and how we're saving if we contract this out or do this, do that, but I'm pretty proud as I travel across our to operational support centers across the land, and in many cases those 15 or 20 FTS that are wearing a uniform every day and coming to work are some of the only military people the folks in that town – they see. I think there's some significant

impact with regards to the visibility of our military across the land, and I just throw that in as a side note.

MR. THOMPSON: Okay.

CMS SMITH: Sir, can I make one comment?

MR. THOMPSON: Sure, please.

CMS SMITH: The Air National Guard is approximately a 35 percent full-time force, and I think the Air Force Reserve is similar to that. I know those – the bulk of those full-time members are maintenance folks that service and maintain our aircraft at Air National Guard bases that have a daily operational mission within their major command, whether it's ACC or AMC, our cargo airlift and our tankers that fly every day, day in and day out, and there is no way feasible that anybody but those folks could do that maintenance. They're air mobility assets. They deploy with the aircraft when they go. They are there to take care of those planes. The active duty could not come into our Air Guard bases, most of which are far removed from an active duty installation, and perform that maintenance that we have to do on a daily basis.

MR. THOMPSON: Okay. Thank you all.

MR. BALL: Thank you very much.

Commissioner McKinnon?

MR. MCKINNON: I just appreciate you all being here. I don't think there's anybody that's worn a uniform that doesn't appreciate the impact of the senior enlisted people in the military than what you provide and how you make things work. Because I can remember as a young ensign how I was just lost and the JG and how the chiefs made everything work and made me look good, so we appreciate having you here.

As I see it, there's sort of three parts to what we're talking about here today. There's sort of an overall view of the problems, there's identifying specific problems, and then there's solutions to the problems. And I think in some respects today we've covered at least the first two. And we're sort of delegated with the responsibility of providing some solutions to the Congress of what some of these problems are. And I want to challenge each of you following this meeting to try to send a note to the commission offering whatever specific ideas that you would have. How – what would you do specifically to solve the problems that you've brought up?

Now, I do want to cover a couple issues here, though. One is the equipping. My committee is dealing with equipping and training and being readied for – having readiness, and equipping is a huge issue. And Sergeant Major Dixon, you really hit some stuff that we haven't heard from the Marine Corps yet. And I don't know all the chain of command and all that stuff, but as part of this testimony I'm asking you to give me – and

each of you, really, the five or six top items that you think are the real crunch items for your particular organization so that we have a better understanding of specifics.

We hear all this, we're short of equipment; we're down to 26 percent or 35 percent or whatever it is, but of what? What's missing? What needs to be brought in? What's not in reset and what we need to go after to get it? I don't – just like – I forget, who is it? I forget which one of you, but somebody brought up the fact that in the five or six or 10, 12 years – I agree with you. We've got to go after the stuff now, this year, next year, and the following year because who knows what's coming down the pike? And we're obviously very thin on equipment from what everybody's saying. So we need to try to put the pressure on the Congress to get everything reequipped a lot faster than what they're projecting out in the COM.

A big issue, I think, is manpower, and that gets into recruiting. The figures I've seen, shows somewhere between 25 and 30 percent of the youth between 17 and 24 are the eligible people that can serve in the military. The other 70, 75 percent because of various reasons, health, they're too overweight, they don't have a high school degree, they don't – they're into drugs or they're in jail or whatever, are ineligible for service. And that is a piece of the pie that every business in America is after as well. So what do we – what do we need to do to be sure we're recruiting those people, those young men or young women, to serve because it's a tough, competitive world out there and we're in competition with – these are the best, and we're in competition for the best, to have the best military. So how do we go about recruiting those young individuals that are so important to bring up the totem pole?

Also, Sergeant Major Dixon, I'm a little bit curious on the junior officer situation. Why are they leaving, and why can't we retain more of them?

SGTMAJ DIXON: Yes, sir. When I mentioned junior officers, sir, it's not that they're – the junior officers are leaving the Marine Corps Reserve; it's that we don't recruit people to come in initially to be junior officers in the Marine Corps Reserve. Our officers that we have in the Marine Corps Reserve for the most part have already served their tour of duty on active duty. So by the time they do six, eight years on active duty, they're – like I've mentioned, they're already a senior captain or a junior major. Right now, we have very few programs to make junior officers in the Reserve. We have the Reserve –

MR. MCKINNON: So you're just depending on the pass-down –

SGTMAJ DIXON: Exactly, sir.

MR. MCKINNON: – and if you don't get a pass down, then you don't get them.

SGTMAJ DIXON: Yes, sir. And part of that originally, I believe – this is just my belief – is by design: it's to bring in officers into the Reserve that are experienced officers and that have had a tour on active duty so when they come to the unit, they're

experienced. You know, they're not a brand-new officer. But then, we're in the position where instead of a first lieutenant as a platoon commander, we wind up with a captain – a senior captain as a platoon commander. So there's not a unit out there – infantry battalion out there in the force that is at 100 percent TO for officers and haven't been for years and years. So that's a big concern, and one – like I'd mentioned, one of the things that we're trying to do is take some of these combat-proven NCOs and staff NCOs that we have, and make them officers.

One of the issues that we have, and the reason that it is harder than it seems like it would be, is that in the Marine Corps they have to go through the same training cycle – whether they're a Reserve officer or an active component officer, the same training cycle that an active duty officer does – the OCS, the TBS, and the MOS school – which can take up to a year, a year and a half, maybe two years to complete. Well, that's a long time to ask a young Marine who has a family and a job to take off a year to two years in order to get the training that they need to become a commissioned officer. So that's one of the challenges that we face there. So it's not necessarily, sir, that the junior officers are leaving, it's that the way we train and the way we obtain our officers for the Reserve is different.

MR. MCKINNON: Do the other services have a problem in that area? No? The Air Force just doesn't?

Commissioner Thompson raised a point about a blank sheet of paper a few minutes ago. One idea that's floated around is dovetailing the Reserves into the National Guard with the exception of the Navy and the Marines. So we're talking about the Air Force and the Army. Is there any reaction from you leaders on that idea? (Laughter.) How's that for a fresh thought, huh? (Laughter.)

CSM JONES: I would submit that soldiers, sailors and the Marines, they all join a certain organization – we all serve in the military, but all of us join a certain organization, be it Army Reserve, National Guard, Air Force, Navy, for whatever personal reason we align ourselves with that particular organization and to ask an Army Reserve soldier or a National Guardsman, if I am understanding the question – would it be okay to merge into one, and would you stay? Some would. But then again, some would say no. It's just like a Marine being told you're going to go into the Air Force. There is a pride. (Laughter.) There – okay, I'll use the Coast Guard. (Laughter.) I love you all. (Laughter.) You know, regardless, the bottom line is that we do.

MR. MCKINNON: Okay.

CSM JONES: Each service member aligns himself with one of the services. We always have. I mean, it's a pride. And if there were other options or if it was the only option, then that's one thing, but –

MR. MCKINNON: But let me lay the groundwork for that in a way – the groundwork is on – in the domestic arena, in a time of some major disaster someplace,



you can activate the Guard as a Title 32 operation, and the governors don't have any control over the Reserves. They're federalized. And if you put them all together in one, you would have a bigger pool of manpower that would be available domestically without having to be federalized. And that's sort of the thinking behind that. Now, you raise a good point, and I think we all have pride in whatever service everybody served in, but from an overall strategic point domestically, it could solve a few problems. So that's what's behind the idea. I – and who knows whether it will go anywhere or not?

CSM HOLLAND: Sir, as you can tell, I'd like to respond to that. (Laughter.) I would turn the question a little bit around to you and say then if that's the thought process that you're having, it'd be nice to let the NORTHCOM commander know that we're looking to do away with his active command. So if that's going to be it, but – you know, there was a big discussion in the building before – about making us a purple force, making it to the point – we're a joint force today. We don't fight individually as an individual service. Anyone believes that, they're just – have not been to the battlefield lately.

So we are a joint force, we're proud of our service. I think pride and respect in our service is part of why we're here and why we have the services we do. When we start playing with that, if we want access to all the Army folks, guess what? Go to NORTHCOM; get the okay. Under the new legislation, out of the House and Senate bills, you have authorization to go to NORTHCOM and you can get the medical folks out of the Army Reserve or any of the other services.

You know, I'm not trying to put a period behind the end of this sentence, but I'd just like to say that is something we think of. We hear from our service members, and please when I go visit, I visit every one of these great services, and I hear such pride in their service every time I do, it makes me proud to be an American. So I really, really believe that that's an important part of what we do and how we do business.

MR. MCKINNON: All right. Well, this is a great panel; we'll be able to at least get your input on all these ideas that are floating around out there, so that's what we want to get. Thanks a lot for your input, and I look forward to receiving the information we requested. Thank you.

MR. BALL: Thank you.

Commissioner Stump?

GORDON STUMP: Yes, this is for Sergeant Major Gipe. With the latest border mission that's been put out there for the National Guard, we had a similar mission with the airports and we put the people out under Title 32 as an additional duty type activity. From what I understand so far, it's that now they're going to say we're going to put them out as your annual training period. Now, if you're doing it for an engineer and he's building a road, it would seem that that would be within his MOS. It might be a productive way to do your 15 days of active duty. However, if you're taking someone

outside their MOS and doing patrols or whatever, it seems like – the way we did was we built up during the year, during our weekend drills to culminate in the end and the annual training to where you got trained in your MOS and you were more combat ready. So in your opinion, is this going to have an effect on the readiness of those soldiers who are deployed to the border but out of their MOS as far as their training and readiness goes?

CSM GIPE: It could, sir. There's still a lot of questions up in the air about how this whole mission – (off mike). But what we're trying to do is tailor it so that we – you know, a lot of our – if you think about it, a lot of our soldiers during Operation Iraqi Freedom and Enduring Freedom have operated outside their MOSs.

MR. STUMP: Yeah. (Artillery guys ?).

CSM GIPE: Roger. Roger. So what we're trying to tailor this for as far as our annual training period is – you know, we're not going to do – be doing so much of the border patrolling tightening issues. We're there more in a support function. We build – like you said, the engineering side, the intel piece of it. And we've been doing a counter-drug mission down in those regions for a good number of years. If this is to go on and on and on, it could affect some units as far as having a one-year annual training – or an annual training the one year that they're not operating in their MOS. I think it's good. I know if you look at some of the things that we do in our – (inaudible) – partnership programs, we're not necessarily sending our units over there to do the same things that they do – you know, war fighting missions, but it is a great retention tool for our soldiers.

I really don't expect – I don't think it will affect our combat readiness as much as a lot of people feel like it's going to. I think that combat effectiveness right now is higher than it's ever been. And to do an annual training period for one year outside your MOS is sometimes not necessarily a bad thing because you can kind of reenergize and get excited about what you're doing. And so the things that we do overseas – the overseas deployments that we're used to doing in Europe, and we're looking to do a lot more of those kind of things, soldiers stay in when they know they're going to do that stuff. It's a real-world mission. And that's what they get into to do. They get into effect – the outcome of things. And by doing this, it may not be necessarily in your MOS, but here is a real-world mission and they're having an effect on security in the United States. So I don't see it a real problem for us.

MR. STUMP: Would you support rather than doing it an annual training, giving the units an additional day and over and above their annual training to support the mission, and do you think we can get enough people to support it?

CSM GIPE: I would have to probably look at the effect that that would have to probably give you a good, solid answer on that, sir. There's a lot of units, a lot of soldiers out there that couldn't afford to go on – (off mike) – so doing an additional two weeks on top of your 15 days for this kind of mission, you have to start looking at the effect on employers and things like that. So in a perfect world, that would be great.

MR. STUMP: Well, you might do it with volunteers though, huh?

CSM GIPE: Roger.

MR. STUMP: Okay, that's all.

MR. BALL: Thank you, Commissioner Stump.

Commissioner Eckles is our last questioner.

MR. ECKLES: Yes, first of all I'd like to thank each one of you and your soldiers, airmen, seamen, Marines for the marvelous job that you do each and every day for America. It's truly appreciated, and I think we're going to be doing a lot of it in the future, so keep up the good work.

My question today deals specifically with Army mobilization. General Blum, chief of the Guard bureau, testified before our commission that the Army Reserve and Army National Guard have unique challenges to their mobilization process concerning the amount of notice given to service members, the time it takes to deploy, and the lack of visibility concerning unit readiness.

General Helmly, the former chief of the Army Reserve, recently stated in an interview that the way reservists are mobilized remains a difficult process. The question I would have for each of you, could you share your personal experiences with mobilization and what initiatives could be taken to reduce the uncertainty and strain mobilization has on reservists, their families, and employees – employers?

CSM JONES: I'll start off. The first area would be – and it kind of is tied into what you said, Mr. Thompson, in reference to thinking outside of the different categories. If you join the Army right now and you're active component Army Reserve, as soon as you're mobilized, you're – you have different pay systems, you have different personnel systems. That's one of the major problems right now. Notification is one, but once you're called, and when you report, the multiple systems, if we have, number one, a way to put you on duty – you're in the Army, put you on duty, change your duty status only, which automatically updates every system that is effected: pay, personnel, family members, entitlements, benefits, all those things. That's where most of the problems come up.

Yes, getting the orders to get there, but once you're on the ground, multiple medical screenings – multiple screenings, I should say. If you've had this screening done in a location, it isn't one system, therefore when you report from Kalamazoo, Michigan, to Fort Dixon, New Jersey, that information is there. You don't have to waste valuable time having it put in again. You can go, be prepared, train, get your equipment, and move out. A lot of time is being spent on redundant work, on multiple people asking for the same information.

So if I had a magic wand, I would say you join the Army – and this is very simplistic – you push one button and it changes your duty status from inactive duty or training, whatever that verbiage may be, to know you're on active duty and all the systems fall into place. We have the capabilities to do that information wise or technology wise, but we do not – we have not used it yet. We have not elected to do that. You join the Army, you join the Navy, you join the Coast Guard, press the button. You're now on active duty where you have benefits and entitlements. So the processes and the systems to get there: too many, multiple times, wasted time from – enough said.

MR. ECKLES: Good.

CSM GIPE: I tell you, the first key to mobilize and mobilizing quickly is strength because you've got your – you know, our units have to be manned 100 percent – (off mike) – 100 percent, I'm saying outside of those that are training – you know, basic training and that kind of thing because what's happened with our units since 9/11 is because of the historical way they funded the Guard – you know, a unit that says it's 85 percent – or we're funded at 85 percent, 70 percent of the strength there, so then you take out the trainees and you're talking about 60 people out of 100-man company. So then you start cross – (off mike). And all you're doing then is taking soldiers from another unit and putting in. So when you come back and – well, I could ramble on and on about that, but you could see where I'm going with that. You've got to have full 100-percent manned units. So that's the first key.

Secondly, is – Sergeant Major Jones alluded to – is the redundancy in training. When we first started – I come out of the Kentucky Guard. When we first started mobilizing soldiers, we would do a pre-mob AT, take our soldiers in and SRP them through the medical process, a screening process, and then do some training functions. And we'd check off all the blocks and validate them. Then they would mob and they would throw all that out the window and have to start all over –

MR. ECKLES: And do it again.

CSM GIPE: – from scratch. You all are very aware of that.

MR. ECKLES: That's right.

CSM GIPE: And so we've got to get rid of that process. You know, General Helmly was being very kind when he said it was a difficult process. (Laughter.) I refer to it as a dinosaur. It's archaic. It's – and once we go from there, when we start looking at reorganizing units or sending units over to perform a mission that is not their MOS-specific mission, it's just a combat area or a AOR-specific mission, we would reclassify – or we didn't really call it that because they weren't awarded MOSs, but we would take artillery units and train them to be infantry soldiers. Well, you can – if I was to take Sergeant Major Jones and make her an infantry soldier, which you know we can't do, but if we could do that, she could go through a two-week MOS reclassification course and be MOS qualified. If you took soldiers from the New York Army National Guard and

trained them to be soldiers or infantry soldiers, five months – (laughter) – they trained, and they still didn't award them the MOS. (Laughter.)

So we've got to get out – get away from that archaic type of training. If we can have the equipment available to us prior to mobilizations – you know, we've talked about what – you know, probably what we will have to do is send the ready phase of the ARFORGEN process has increased the number of drill days we have per year, the number of AT days. We'd probably add another week on. And if we can do that kind of stuff, get rid of this redundancy in the system, get buy-in from everyone as far as how we evaluate training in the Guard and Reserves, then we can get it down to that one-year mobilization time to include from the time we're alerted and deployed. One month at the mob station for a lot of units is more than enough time. And we can do that, so that's how we get rid of that. It's definitely an outdated system. (Off mike.)

MR. ECKLES: Thank you.

CSM GIPE: Yes, sir.

MR. ECKLES: That's all I have.

MR. BALL: Well, thank you. Thank you for that comment. That is close to the comment Sergeant Major Holland made in his opening statement. You made a reference, I believe, to the training and the active force, and the part of this equation and the road ahead on an operational Reserve is indeed training and awareness within the active force, which is certainly an important issue.

Unless any other commissioner has questions, I want to thank all of our witnesses for their participation in this hearing. Your contribution to our record has been substantial. I wish time would allow us to continue this dialogue. It's been exceedingly helpful. We look forward to continuing our contact and association with you as we proceed with the work of this commission. If there's no further questions, the commission stands adjourned.

(END)